

## Futures and Options

This course is intended for advanced students, especially master students and other students in the final year.

### **Outline:**

The second revolution in mathematical finance following the Markowitz mean-variance theory of risk and return and the capital asset pricing model, concerns the option pricing theory of Black, Scholes and Merton from 1973 and the risk-neutral valuation theory that grew from it. In this course we introduce financial models in discrete as well as in continuous time and explain the basic principles of risk-neutral valuation of derivatives. Besides of futures and standard put and call options a number of more sophisticated derivatives are introduced as well.

**Instructor:** Prof. Dr. Eva Lütkebohmert-Holtz

### **Course:**

- Tuesdays, 8:30-10:00 a.m. (c.t.), HS 1221 KG I
- Wednesday, 4:00-6:00 p.m. (c.t.), Room 125, Eckerstr. 1

**Credits:** 6 credits based on a 120-minute exam

**Info:** <http://www.vwl.uni-freiburg.de/fakultaet/erwien/erwien.htm>