Module title			Abbreviation
Introduction to Stochastic Financial Mathematics			10-M-EFM-122-m01
Module coordinator		**Module offered by**	
Dean of Studies Mathematik (Mathematics)		Institute of Mathematics	
ECTS	**Method of grading**	**Only after succ. compl. of module(s)**	
9	numerical grade	--	
Duration	**Module level**	**Other prerequisites**	
1 semester	undergraduate	Certain prerequisites must be met to qualify for admission to assessment. The lecturer will inform students about the respective details at the beginning of the course. Registration for the course will be considered a declaration of will to seek admission to assessment. If students have obtained the qualification for admission to assessment over the course of the semester, the lecturer will put their registration for assessment into effect. Students who meet all prerequisites will be admitted to assessment in the current or in the subsequent semester. For assessment at a later date, students will have to obtain the qualification for admission to assessment anew.	

Contents

Arbitrage and no-arbitrage, annuities and bonds, valuation of deterministic cash flows, actuarial present value, term structures and yield curves, forwards, payout profiles of options and other derivates, fundamental theorem of asset pricing in the stochastic one-period model, risk neutral price measures, replication and completeness, stochastic multi-period models, valuation of European options in the binomial model, Black-Scholes formula.

Intended learning outcomes

The student is acquainted with the fundamental concepts and methods of stochastic financial mathematics, can apply them to practical problems and knows about typical fields of application.

Courses (type, number of weekly contact hours, language — if other than German)

V + Ü (no information on SWS (weekly contact hours) and course language available)

Method of assessment (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)

written examination (approx. 90 to 180 minutes)
if announced by the lecturer, the written examination can be replaced by an oral examination of one candidate each (approx. 20 minutes) or an oral examination in groups (groups of 2, approx. 30 minutes)
Language of assessment: German, English if agreed upon with the examiner

Allocation of places

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Additional information

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Workload

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Teaching cycle

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Referred to in LPO I (examination regulations for teaching-degree programmes)

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Module appears in

Bachelor's degree (1 major) Mathematics (2012)
Bachelor's degree (1 major) Mathematics (2013)
Bachelor's degree (1 major) Economathematics (2012)

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