

Module title		Abbreviation
Introduction to Stochastic Financial Mathematics		10-M-EFM-222-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)
10	numerical grade	--
Duration	Module level	Other prerequisites
1 semester	undergraduate	--
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 derivatives, 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 (4) + Ü (2)		
Method of assessment (type, scope, language – if other than German, examination offered – if not every semester, information on whether module is creditable for bonus)		
a) written examination (approx. 90 to 180 minutes, usually chosen) or b) oral examination of one candidate each (15 to 30 minutes) or c) oral examination in groups (groups of 2, 10 to 15 minutes per candidate) Language of assessment: German and/or English creditable for bonus		
Allocation of places		
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Additional information		
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Workload		
300 h		
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' degree (1 major) Mathematical Data Science (2022) exchange program Mathematics (2023)		