### Module title
Option Pricing Theory

### Abbreviation
12-M-B2-102-m01

### Module coordinator
holder of the Chair of Business Management, Banking and Finance

### Module offered by
Faculty of Business Management and Economics

### ECTS
10

### Method of grading
numerical grade

### Only after succ. compl. of module(s)
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### Duration
1 semester

### Module level
graduate

### Other prerequisites
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### Contents

**Content:**
The module deals with the nature of stock options using the Black Scholes and Binominal models. It assesses companies as well as shares as derivative financial instruments and discusses delta hedging to hedge equity portfolios.

**Outline of syllabus:**
1. Share options
2. Other financial derivatives
3. Immunising portfolios against interest rate changes

### Intended learning outcomes
After completing the course “Option pricing”, the students will be able
(i) to price options using the Black-Scholes formula and the binominal model;
(ii) to understand the use of options as a part of compensation and for share hedging.

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

### Method of assessment
written examination (approx. 60 minutes)

### Allocation of places
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### Additional information
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### Referred to in LPO I
(examination regulations for teaching-degree programmes)

### Module appears in
Master's degree (1 major) Business Management (2010)
Master's degree (1 major) Economics (2010)