Module title: Option Pricing Theory
Abbreviation: 12-M-B2-111-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
Duration: 1 semester
Module level: graduate
Other prerequisites: --

Contents:
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. 120 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)
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Module appears in:
Master's degree (1 major) Economathematics (2011)
Master's degree (1 major) Business Management (2011)
Master's degree (1 major) Economics (2011)
Master's degree (1 major) China Business and Economics (2014)
Master's degree (1 major) China Business and Economics (2012)
Master's degree (1 major) Chinese and Economics (2014)
Master's degree (1 major) Chinese and Economics (2012)