

Module title		Abbreviation
Option Pricing Theory		12-M-B2-161-m01
Module coordinator		Module offered by
holder of the Chair of Business Management, Banking and Finance		Faculty of Business Management and Economics
ECTS	Method of grading	Only after succ. compl. of module(s)
10	numerical grade	--
Duration	Module level	Other prerequisites
1 semester	graduate	--
Contents		
<p>Content: The module deals with the nature of stock options using the Black Scholes and Binomial models. It assesses companies as well as shares as derivative financial instruments and discusses delta hedging to hedge equity portfolios.</p> <p>Outline of syllabus: 1. Share options 2. Other financial derivatives 3. Immunising portfolios against interest rate changes</p>		
Intended learning outcomes		
<p>After completing the course "Option pricing", the students will be able (i) to price options using the Black-Scholes formula and the binomial model; (ii) to understand the use of options as a part of compensation and for share hedging.</p>		
Courses (type, number of weekly contact hours, language – if other than German)		
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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. 120 minutes) Language of assessment: German and/or English		
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		
<p>Master's degree (1 major) Econometrics (2016) Master's degree (1 major) Business Information Systems (2016) Master's degree (1 major) Business Management (2015) Master's degree (1 major) China Business and Economics (2016) Master's degree (1 major) International Economic Policy (2015) Master's degree (1 major) China Language and Economy (2016)</p>		