



## GRADUATE SCHOOL

### **GM1037 Derivative Securities, 7.5 credits**

Derivatinstrument, 7,5 högskolepoäng

*Second Cycle*

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#### **Confirmation**

This course syllabus was confirmed by Graduate School on 2021-08-18 to be valid from 2022-01-17, spring semester of 2022.

*Field of education:* Social Sciences 100%

*Department:* Graduate School

#### **Position in the educational system**

The course Derivative Securities, is a course within the Master of Science programmes at the Graduate School, School of Business, Economics and Law, University of Gothenburg.

*Main field of studies*

Finance

*Specialization*

A1N, Second cycle, has only first-cycle course/s as entry requirements

#### **Entry requirements**

To be eligible for the course Derivative Securities the participant must fulfill the entrance qualifications for the Master of Science programme in Finance. For programme specific entrance requirements, see programme syllabus.

#### **Learning outcomes**

On successful completion of the course, the student will be able to:

1. show understanding of and use advanced mathematical and statistical methods commonly used by derivative traders and professional investors to value derivative securities
2. show understanding and use advanced techniques commonly used by derivative

traders and professional investors to effectively hedge investment risk using derivative securities

3. show insight into the application of the methods and techniques used by derivative traders and professional investors for purposes of advanced understanding of derivative valuation and modern risk management practices.

### **Course content**

The overall objective of the course is to give advanced knowledge and insight into the valuation of derivative securities and modern risk management practices. The objective involves a general overview of advanced pricing theory as well as advanced uses of derivative securities for purposes of reducing various types of investment risk.

### **Form of teaching**

Lectures, seminars and group work.

*Language of instruction:* English

### **Assessment**

Learning outcome 1 and 2 will be assessed through a written individual examination. Learning outcome 3 will be assessed through a written individual examination and written reports.

Individual exams shall be written individually, cooperation in formulating text, tables, figures etc. is not allowed.

A student who has taken two exams in a course or part of a course without obtaining a pass grade is entitled to the nomination of another examiner. The student needs to contact the department for a new examiner, preferably in writing, and this should be approved by the department unless there are special reasons to the contrary (Chapter 6 Section 22 of the Higher Education Ordinance).

If a student has received a recommendation from the University of Gothenburg for special educational support, where it is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, the examiner may decide to allow the student to sit an adjusted exam or alternative form of assessment.

In the event that a course has ceased or undergone major changes, students are to be

guaranteed at least three examination sessions (including the ordinary examination session) over a period of at least one year, but no more than two years, after the course has ceased/been changed.

The number of examinations is limited to five.

### **Grades**

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

The grade (A-E) corresponds to the total score a student obtains on the written individual exam (80%) and written reports (20%). To receive a pass grade (A-E)  $\geq 50\%$  points is required. The scale is tied to fixed score intervals:

A: 85-100%

B: 75-84%

C: 68-74%

D: 60-67%

E: 50-59%

F:  $<50\%$

### **Course evaluation**

The course will be evaluated upon completion. The results of and possible changes to the course will be shared with students who participated in the evaluation and students who are starting the course.

### **Additional information**

The syllabus in English is the official binding document.