Department: 10 Business Administration

Course title: Financial Engineering

Hours per week (SWS): 4

Number of ECTS credits: 5

Course objective: Students are supposed to understand the basic issues in Financial Engineering. Should the students be interested in passing the EUREX trader’s exam they might find themselves being well prepared for doing so.

Prerequisites

Recommended reading:
- Bloss, Michael; Ernst, Dietmar; Häcker, Joachim; Sörensen, Daniel: Financial Engineering, München 2011 (The English Version should be used— a German version of the book is also available).

Teaching methods: Seminar

Assessment methods: term paper

Language of instruction: English

Name of lecturer: Prof. Dr. Dr. Joachim Häcker

Email: joachim.haecker@hm.edu

Course content: Mathematical aspects of Financial Engineering; Statistical aspects of Financial Engineering; Methodological Foundations of Financial Engineering; Derivatives in Financial Engineering; Historical Development of derivatives exchanges; The creation of EUREX; Derivatives markets world-wide; Derivatives and its structure; Listed Derivatives versus OTC; Clearing; Options–Basic issues; Options and its Settlement; Pricing of Options; Black-Scholes-Formula and Binomial models; Volatility; Greeks; Strategies with Options; Hedging.

Remarks