UNIVERSITY OF CALGARY

FACULTY OF SCIENCE
Department of Mathematics and Statistics

APPLIED MATHEMATICS 481
"INTRODUCTION TO MATHEMATICAL FINANCE"

Calendar Description: H(3-1T)
Introduction to financial markets and derivatives, asset price random walks, Black-Scholes option pricing model, American options and other generalizations.
Prerequisite: Mathematics 323 and 353.

Syllabus

Topics	Number of Hours
Introduction to financial markets: forwards, futures, options, bonds, other derivatives.	2
Asset price random walks	8
Hedging and arbitrage	4
Black-Scholes equation and its solution	8
Generalizations of Black-Scholes	8
American options	6
TOTAL HOURS	**36**

* * * * * * * *

2002:07:11
LPB:jml