

Course Description

Gestion des risques et marchés dérivés

Programme : Grande Ecole

Academic Year : 2008/2009

Semester : 2

Type of Course : Core course

Number of credits : 5

Course Manager : Gros Lambert, Bertrand

Lecturer : GROSLAMBERT Bertrand

Language of instruction : French

Field of Study : Finance

Axis : Global Management

1. Learning Outcomes

After this course students should have mastered the main concepts of financial risk management: Value-at-risk, derivatives.

Students will learn about options and futures markets and be able to make appropriate use of them.

Students will have mastered basic tools such as Black and Scholes and the binomial method, and be able to develop strategies based on Greek letters.

2. Course Contents

This is one of the six compulsory courses in the Market Finance Major. It deals with risk management which is currently one of the most dynamic areas. The course also deals with instruments for managing financial risk: derivatives. The course is centred around Futures and Options. Swaps are dealt with in the course: "Trading".

3. Prerequisites

No pre-requisites

4. Readings

Compulsory reading:

Options, Futures & Other Derivatives, John C. Hull, Prentice Hall
Financial Times and/or Wall Street Journal

Recommended reading:

Investment Analysis and Portfolio Management, Reilly and Brown, Dryden Press

5. Assessment Methods

2 quizzes from hull : 2X 25%

Homework assignments 50%

- Portfolio simulation (investopedia)
- Exercises
- Homework assignments

6. Teaching Methods

- 10 sessions of 3 hours
- Study of theoretical concepts
- Practical application
- Portfolio simulation (with options)