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 one of 353 or 381.

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**

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2002:07:11
Prerequisite change: 2008:07:01
LPB:jml