

COURSE / MODULE / BLOCK DETAILS

ACADEMIC YEAR / SEMESTER

Offered by: İşletme			
Course Title: FINANCIAL DERIVATIVES		Course Org. Title: FINANCIAL DERIVATIVES	
Course Level: Lisans		Course Code: FIN 4235	
Language of Instruction: İngilizce		Form Submitting/Renewal Date 20/09/2020	
Weekly Course Hours: 3		Course Coordinator: PROF.DR. MÜBECCEL BANU DURUKAN SALI	
Theory	Application	Laboratory	National Credit: 3
3	0	0	ECTS Credit: 5



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Offered to:	Course Status: Compulsory/Elective
Name of the Department:	
International Trade and Business (English)	Elective Course
International Business and Trade	Elective Course
BUSINESS ADMINISTRATION	Elective Course



DOKUZ EYLUL UNIVERSITY



FACULTY OF BUSINESS ADMINISTRATION OFFICE OF THE DEAN

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Instructor/s:

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**Course Objective:**

This course aims to introduce the students to the mechanics of financial derivatives markets, futures prices, hedging and trading strategies using derivatives and option pricing.

**Learning Outcomes:**

- 1 Describe option pricing, pointing out its determinants.
- 2 Illustrate the relationship between spot and futures markets in order to determine futures prices.
- 3 Explain derivatives markets including forwards, futures, swaps and options, highlighting their mechanics and players.
- 4 Use futures and forwards contracts in order to form hedging strategies.
- 5 Select options contracts in order to construct trading strategies.
- 6 Apply the comparative advantage argument in order to design a swap in the absence or presence of a financial intermediary.

**Learning and Teaching Strategies:**

1. Lectures
2. Class discussion (the news and articles written in both domestic and global newspapers about current issues on finance and economy)
3. Solving the assigned cases and problems

**Assessment Methods:**

Name	Code	Calculation formula
1.Assignment	AS1	
2.Assignment	AS2	
3.Assignment	AS3	
4.Assignment	AS4	
Presentation	PRS	
BNS	BNS	$AS1 * 020 + AS2 * 020 + AS3 * 020 + AS4 * 020 + PRS * 020$



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Further Notes about Assessment Methods:

Assessment Criteria:

1. The learner will price options and identify its determinants.
2. The learner will describe the relationship between spot and futures markets and determine the futures prices.
3. The learner will define the mechanics of forwards, futures, swaps and options.
4. The learner will design hedging strategies by using futures and forwards.
5. The learner will select between different options to form trading strategies.
6. The learner will design a swap in the absence or presence of a financial intermediary.

Textbook(s)/References/Materials:

Options, Futures and Other Derivatives. John, C. Hull. Prentice Hall. 9th Edition, 2015.

Course Policies and Rules:

1. Attending at least 70 percent of the lectures is mandatory.
2. Violations of plagiarism of any kind will result in a disciplinary action.

Contact Details for the Instructor:

Prof. Dr. M. Banu Durukan  
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Office Hours:

Prof. Dr. M. Banu Durukan

Tuesday 10:00-12:00 or by appointment



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Course Outline:		
Week	Topics:	Notes:
1	Introduction to Financial Derivatives Markets	
2	Mechanics of Futures and Forward Markets	
3	Hedging Strategies Using Futures Contracts	
4	Hedging Strategies Using Futures Contracts Determination of Forward and Futures Prices	
5	Determination of Forward and Futures Prices	
6	Swaps	
7	Swaps	
8	Mechanics of Options Markets and Properties of Options	
9	Trading Strategies Involving Options	
10	Trading Strategies Involving Options	
11	Valuing Stock Options (Binomial Trees & Black-Scholes Model)	
12	Presentation	



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## ECTS Table

Course Activities	Number	Duration (hour)	Total Work Load (hour)
In Class Activities			
Lectures	12	3	36

## Exams

Final	0	1,5	0
Midterm	0	1,5	0
Quiz etc.	0	2	0

## Out Class activities

Preparations before/after weekly lectures	12	3	36
Preparing assignments	4	15	60
Preparing presentations	1	5	5
Preparations before/after weekly lectures	0	0	0
Preparing presentations	0	0	0
Preparing assignments	0	0	0
Total Work Load (hour)			137
ECTS Credits of the Course= Total Work Load (hour) / 25			5