ECON 174 – SYLLABUS (FALL 2008) Foster, UCSD, February 27, 2009

Teaching Staff and Consultation Hours								
Name/Position	Times	Room	Contact Info					
Carroll B. Foster	MWF	ECON 110C	(858) 534-7133					
(PhD/Instructor)	$10-10^{45}$ am	ECON 110C	cfoster @ ucsd.edu					
Ayelen Maria Banegas	T, 2-3 pm	SEQ 224	mbanegas @ ucsd.edu					
Cynthia Jing Wu	T, 5-6 pm	SEQ 234	jingwu @ ucsd.edu					

Course Information

- Lecture: "Financial Risk Management" (628501): MWF, 11–11⁵⁰ am, CNTR 214
- Description: Trading in derivative securities; theory of futures and option pricing; use of derivatives to hedge risk factors (e.g., fluctuating exchange rates or interest rates).
- Prerequisite: Ec 173A (formerly Ec 175)
- Course webpage: *http://webct.ucsd.edu*

Books and Materials

- John C. Hull, Fundamentals of Futures and Option Markets, 6th ed. (2008). [Bookstore]
- Hull, Solutions Manual and Study Guide. [Bookstore]
- Bodie, Kane and Marcus, Investments, 8th (or any recent) ed. [Optional] •

Calendar

- Change grade option or drop w/o "W" thru F, 24 OCT; drop w/o "F" thru M, 1 DEC.
- Holidays: Th-F, 27-28 NOV (Thanksgiving).
- Midterm: Friday, 7 NOV, 11-11⁵⁰ am, in class.
 Final Exam: Tuesday, 9 DEC, 11³⁰-2³⁰ pm, CNTR 214 (or _____).

Examinations and Grading

	Curve					
	Gr	Rank	Points ¹			
I	A±	Top 30%	81-99%			
	B±	High 35%	68-80%			
	C±	Mid 30%	44-67%			
l	D/F	Low 5%	00-43%			

Homework = 50 points (after adjustment); midterm = 100 points;
cumulative final = 300. Regrade period is first week after papers
returned in class. No make-up exams. ² Cheating = F in course. ³

Course Outline and Reading List							
Topic and Title		Hull 6 th	BKM 8 th	Testing			
Top 1	INTRODUCTION & REVIEW	Ch. 1	§2.5				
Top 2	FUTURES & FORWARD MARKETS	Ch. 2-3, 5	Ch. 22	Midterm			
Top 3	OPTIONS MARKETS	Ch. 8-12	Ch. 20-21				
Top 4	INTEREST RATE FUTURES & SWAPS	Ch. 4, 6-7	Ch. 23	Final			

¹ Based on n = 128 former students in my Ec 174 courses (percent of total points possible).

² Please note that you MUST take the final with the rest of the class on schedule during finals week.

³ I give multiple versions of tests. If you have the right answers for some other version, you are busted.