# ECON 174 – FINANCIAL RISK MANAGEMENT
# SYLLABUS (WINTER 2008)
**Foster, UCSD, May 1, 2008**

| Teaching Staff and Consultation Hours | | | |
|---|---|---|---|
| **Name/Position** | **Times** | **Room** | **Contact Info** |
| Carroll B. Foster (PhD/Instructor) | MWF, 9-9$^{50}$ am | ECON 110C | (858) 534-7133 cfoster@ucsd.edu |
| Ayelen Banegas | M, 3$^{30}$-4$^{30}$ pm T, 11-12 n | SEQ 224 | mbanegas@weber.ucsd.edu |

Course Information – "Financial Risk Management"

- Lecture (611432): MWF, 8−8$^{50}$ am, SOLÍS 104
- Description: Trading in derivative securities; theory of futures and option pricing; using derivatives to hedge against risk factors like fluctuating exchange rates, oil prices, etc.
- Prerequisite: Ec 173A (formerly Ec 175)
- Course webpage: http://webct.ucsd.edu

| CAPE |
|---|
| Friday, 7 March |

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*, 6th ed. (2005). [Optional]

Calendar

- Change grade option or drop w/o "W" thru F, 1 FEB; drop w/o "F" thru F, 7 MAR.
- Holidays: M, 21 JAN (MLK); M, 18 FEB (Presidents' Day).
- Midterm: Friday, 15 FEB, in class.
- Final Exam: Monday, 17 MAR, 8−11 am, SOLÍS 104 (or ______________).

Examinations and Grading

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.[1] Cheating = F in course.[2]

| Curve | |
|---|---|
| **Gr** | **Rank** |
| A± | Top 30% |
| B± | High 35% |
| C± | Mid 30% |
| D/F | Low 5% |

| Course Outline and Reading List | | | | |
|---|---|---|---|---|
| **Topic and Title** | | **Hull 6th** | **BKM 6th** | **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] Please note that you MUST take the final with the rest of the class on schedule during finals week.
[2] I give multiple versions of tests. If you have the right answers for some other version, you are busted.