Indian Institute of Technology Guwahati
Proposal for a New Course / ~~Revision of a Course~~

Course Number & Title: BM601H & Introduction to Financial Derivatives
L-T-P-C: 4-0-0-4
Type of Letter Grading (Regular Letter Grades / PP or NP Letter Grades): Regular Letter Grades
Kind of Proposal (New Course / Revision of Existing Course): New Course
Offered as (Compulsory / Elective): Elective
Offered to: Masters of Business Administration (MBA)
Offered in (Odd/ Even / Any): Any
Offered by (Name of Department/ Center): School of Business
Pre-Requisite: NIL
Preamble / Objectives (Optional):
Course Content/ Syllabus *(as a single paragraph if it is not containing more than one subject. Sub-topics/ Sections may be separated by commas(,). Topics may be separated by Semi-Colons(;). Chapters may be separated by Full-Stop(.). While starting with broad heading, it may be indicated with Colon symbol before the topics. For example: Multi-variable Calculus: Limits of functions, Continuity, ...)* Basics of derivatives markets, types of derivatives and traders; Forward markets; Futures markets, mechanisms, margin accounts, marking to market, hedging strategies and risk management using futures, interest rate futures; Valuation of forwards and futures; Swaps, interest rate swaps and credit default swaps; Mechanism of options markets, payoffs, properties and trading strategies; Option pricing using binomial model, risk neutral valuation; Option pricing using the black-scholes-merton model; Greeks; Exotic options; Credit derivatives.
Books (In case UG compulsory courses, please give it as "Text books" and "Reference books". Otherwise give it as "References".
Texts: (Format: Authors, *Book Title in Italics font,* Volume/Series, Edition Number, Publisher, Year.)

1.	Hull, J. C., & Basu, S, *Options Futures and other Derivatives*, 11th Edition, Pearson, 2022.
2.	Bodie, Z., Kane, A., Marcus, A. J., & Mohanty, P., *Investments,*11th Edition, McGraw Hill, 2019.
3.	
References: (Format: Authors, *Book Title in Italics font,* Volume/Series, Edition Number, Publisher, Year.)	

Detailed Course Content (Optional) It will not be included in the Courses of Study Booklet		
Sl. No.	Broad Title / Topics	Number of Lectures
1		
2		
3		
4		
5		