



CROSS-LISTED COURSE OUTLINE

COURSE IMPLEMENTATION DATE: September 2011
 COURSE REVISED IMPLEMENTATION DATE: _____
 COURSE TO BE REVIEWED: _____
 (six years after UPAC approval) (month, year)

CROSS-LISTED COURSE OUTLINE INFORMATION

This is a cross-listed course. Only one official course outline exists for this course, listed under the original course name and number. Please refer to the official course outline for full course information.
 Shaded headings are subject to change at the discretion of the department – see course syllabus available from instructor

<u>ECON 434</u>	<u>Business Administration</u>	<u>3</u>
COURSE NAME/NUMBER	FACULTY/DEPARTMENT	UFV CREDITS
	<u>Risk Management and Financial Engineering</u>	
	COURSE DESCRIPTIVE TITLE	

OFFICIAL COURSE OUTLINE:

This is a cross-listed course. Please refer to **BUS 434** for the official course outline.

CALENDAR DESCRIPTION:

This course deals with the ways in which risks are quantified and managed in a portfolio that includes equities, fixed income instruments, and derivatives. The course begins by reviewing the Black-Scholes model of option pricing. The Black-Scholes model is then extended to examine how institutions hedge themselves when they sell non-standard derivatives securities. In particular, we examine the hedging of bonds, stocks, and options against movements in share prices, curvature, interest rates, and volatilities.

Note: This course is offered as BUS 434 and ECON 434. Students may take only one of these for credit.

PREREQUISITES: **BUS 349**
 COREQUISITES:
 PRE or COREQUISITES:

SYNONYMOUS COURSE(S):

- (a) Replaces: _____
- (b) Cross-listed with: BUS 434
- (c) Cannot take: BUS 434 for further credit.

SERVICE COURSE TO (department/program):

WILL TRANSFER CREDIT BE REQUESTED? (lower-level courses only) Yes No
 WILL TRANSFER CREDIT BE REQUESTED? (upper-level requested by department) Yes No
 TRANSFER CREDIT EXISTS IN BCCAT TRANSFER GUIDE: Yes No

Course designer(s): <u>Vladimir Dvoracek</u>	Date approved: <u>July 2010</u>
Department Head: <u>Vladimir Dvoracek</u>	Date of meeting: <u>July 9, 2010</u>
Supporting area consultation (Pre-UPAC)	Date approved: <u>January 2011</u>
Curriculum Committee chair: _____	Date approved: <u>January 2011</u>
Dean/Associate VP: <u>Rosetta Khalideen</u>	Date of meeting: <u>February 25, 2011</u>
Undergraduate Program Advisory Committee (UPAC) approval	