



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

Corporate finance (Options, Futures and Derivatives)

PROF. LORENZO CAPRIO

Course aims and intended learning outcomes

The Corporate Finance (asset pricing and corporate financing) course covers options, forward contracts, futures contracts, and swaps. By the end of this course you will have a good knowledge of how these contracts work, how they are used, and how they are priced. The contents are a necessary part of the basic background of students interested in careers in Finance and Accounting.

Course content

Introduction.
Mechanics of futures markets.
Hedging Strategies Using Futures.
Interest Rates.
Determination of Forward and Futures Prices.
Interest Rate Futures.
Swaps.
Securitization and the Crisis.
Properties of Options.
Binomial Trees.
The Black-Scholes-Merton Model.
Futures Options
Interest Rate Derivatives: the Standard Market Model.

Reading list

J. HULL, Options, Futures and Other Derivatives.

Plus further materials that will be made available by the teacher.

Teaching method

Classroom lessons.

Assessment method and criteria

Attending students: Midterm exam (50%) plus final exam (50%). Both exams are written.

Non-attending students: Final written exam (100%)

Notes and prerequisites

Prerequisites: students are required to be familiar with the topics studied in introductory courses of Corporate finance (see for example the program of the course Corporate Finance of Prof. Gianluca Pallini, Laurea Triennale in Economics and Management, Facoltà di Economia, Università Cattolica).

Further information will be made available on the teacher's webpage http://docenti.unicatt.it/ita/lorenzo_caprio