Business Administration

Course Number:	**BUAD 353**
Course Title:	**DERIVATIVE SECURITIES**
Credits:	3
Calendar Description:	This course discusses the valuation methods and hedging strategies of options, futures, swaps and other financial derivatives. It presents a balance of the institutional details, theoretical foundations, and practical applications.
Semester and Year:	**WINTER 2023**
Prerequisite(s):	BUAD 350 and minimum third-year standing
Corequisite(s):	No
Prerequisite to:	No
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	Elective – BBA, Finance
Substitutable Courses:	No
Transfer Credit:	No
Special Notes:	No
Development Date:	January 2003
Revision Date:	November 2013

Chair's Approval: Devi Rubadeau

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Professor

Elena Mitropolsky ***Course Captain***	**K: C143**	**emitropolsky@okanagan.bc.ca**

Learning Outcomes

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Notes

In order to pass this course, the student must obtain a weighted average of 50% or higher on the exams. There will be no make-up or supplementary exams/quizzes. Class attendance and active class participation/contributions are expected. **Course Format** Lectures, in-class discussions, investment practice, assignments and quizzes, and exams.
Investment Practice - Individual The investment practice component requires students to participate in the StockTrak Global Portfolio Simulations. The registration link will be provided separately. The due date for registration is **January 25** – and you are encouraged to register ASAP. You can start trading on January 1and your last trading day is April 30. You are allowed to trade stocks, bonds, options, futures and spots. You will be given trading assignments to complete through the course.

Required Texts/Resources

- Fundamentals of Futures and Options Markets, John C. Hall, Pearson
- Solutions Manual and Study Guide

Course Schedule

Date		Topic	Textbook
2023 Week of		Monday January 9th, First day of class Monday February 20th, Statutory Holiday (no classes) February 21st thru 24th, Mid-semester study break (no classes) Friday April 7th and Monday April 10th, Statutory Holidays (no classes) Friday April 14th, Last day of class	
Jan	9	Introduction Arbitrage discussion Use of derivatives	1,2
	16	Introduction to futures and forwards Futures markets and margin requirements Interest rates and FRA’s	3,4
	23	Hedging strategies using futures Valuation of forwards and futures	5
	30	Interest rates futures	6
Feb	6	Interest rate swaps	7

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