

# COURSE DETAIL

## FINANCIAL ECONOMICS

**Country**

Hong Kong

**Host Institution**

University of Hong Kong

**Program(s)**

University of Hong Kong

**UCEAP Course Level**

Upper Division

**UCEAP Subject Area(s)**

Statistics Economics

**UCEAP Course Number**

128

**UCEAP Course Suffix**

A

**UCEAP Official Title**

FINANCIAL ECONOMICS

**UCEAP Transcript Title**

FINANCIAL ECONOMICS

**UCEAP Quarter Units**

5.00

**UCEAP Semester Units**

3.30

### **Course Description**

This course examines option pricing and hedging. It will concentrate on the theory and idea of derivatives pricing and risk management. Topics include option market; European and American options; conditional expectation and discrete-time martingale, discrete-time option pricing theory; true probabilities vs. risk-neutral probabilities; estimating volatility; the Black-Scholes formula; implied volatility; option Greeks; market-making and hedging; and exotic options.

### **Language(s) of Instruction**

English

### **Host Institution Course Number**

STAT3910

### **Host Institution Course Title**

FINANCIAL ECONOMICS I

### **Host Institution Course Details**

### **Host Institution Campus**

### **Host Institution Faculty**

### **Host Institution Degree**

### **Host Institution Department**

Statistics & Actuarial Science

### **Course Last Reviewed**

2024-2025

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