



Philadelphia University
Faculty of Business
Department of Finance and Banking

Course Syllabus

Course Title: Financial Derivatives

Course Code: 032442

Course Level: Third Year

Course Prerequisite(s) and/or Co requisite(s): Financial Management (0250105 , 0320423)

Credit Hours: 3

Lecture Time: ...

<u>Academic Staff</u>				
<u>Specifics</u>				
Name	Rank	Office number and location	Office hours	E-mail address

Course Module Description:

The purpose of this course is to provide the student with the necessary skills. This course is a basic requirement for students of financial and banking sciences. It deals with the theoretical framework of financial derivatives in terms of their concept and types, investment mechanisms and their role in risk management. Derivatives include both options, forward contracts, future contracts, and SWAPS. The course covers various financial risk theories, including interest rate risk, lending risk, liquidity risk, currency risk, technology risk and operational risk.

Course Module Objectives:

1. Provide the student with integrated knowledge and skills related to the management of financial derivatives.
2. Addressing the topic within its theoretical and practical framework and commensurate with the size of its importance in the global financial markets as one of the modern investment tools, with a focus on tools and analytical methods in the process of financial and investment decision-making.
3. Provide the student with knowledge in the quantitative aspects of the theory of funding as well as identify the student methods used to solve financing problems.
4. Providing the student with cognitive awareness and qualitative development in the fields of financial engineering.
5. Providing the student with the skills necessary to keep pace with the latest developments in the field of financial engineering.

Course/ module components

Books (title , author (s), publisher, year of publication)

Fayez Saleem Haddad. (2014). Corporate Finance

Support material (s) (vcs, acs, etc).

Study guide (s) (if applicable)

Homework and laboratory guide (s) if (applicable).

Teaching methods:

Lectures, discussion groups, tutorials, problem solving, debates, etc.

Learning outcomes:

- Knowledge and understanding

After studying the student for this article he is expected to be able to learn

- **Understand and understand the theoretical framework of the subject of financial derivatives in a fundamental way.**
- **To enable the student to use the scientific tools and techniques he has studied in solving problem solving and making the appropriate investment decision.**

- Cognitive skills (thinking and analysis).

- 1. This comes through focusing on the principle of self-learning and providing the student with various competencies necessary to be able to find appropriate solutions to the problems and investment obstacles that may be exposed to them.**
- 2. Focus on research and scientific articles in addition to visiting the library and using the Internet for the purpose of preparing scientific papers or research.**
- 3. To provide the student with the skills of the ability to find, analyze and connect the facts with the theoretical information he studied .**

- Communication skills (personal and academic).

1- The interaction of students with the teacher of the material in the lecture and via e-mail, where there is a website of the department on the Internet contains the scientific material and the schedule of material guidance and examination dates, and the graduate is available to communicate with the professor of the article.

- Practical and subject specific skills (Transferable Skills).

1- understanding the work of corporations and their relationship with the their environment.

2- To have an idea about techniques of forecasting and planning methods.

Assessment instruments

- Short Reports and/ or Presentations, and/ or short Research Projects
- Quizzes
- Homework
- Final Exam: 40 marks

<u>Allocation of Marks</u>	
Assessment Instruments	Mark
First Exam	20
Second Exam	20
Final Exam	40
Reports, Essays, Quizzes, Homework and Presentations	20
Total	100

Documentation and academic honesty

- Documentation style (with illustrative examples)
- Protection by copyright
- Avoiding plagiarism.

Course/Module Academic Calendar

Week	Basic and support material to be covered	Homework/reports and their due dates
1	What is the financial derivatives and its importance role. Some important concepts in financial markets and derivatives markets Linking between spot markets derivatives Markets	
2	Option markets and the development of this markets.	
3	Option pricing principles, and introduction to Call option pricing principles	
4	Call option pricing principles	
5	Put option pricing principles	
6	Option pricing models The One-Period Binomial Model	First exam
7	The Two-Period Binomial Model Black- a Scholes model	
8	Option trading strategy	
9	Continuing Option trading strategy	
10	Advanced Option trading strategy	
11	Forwards and futures markets	
12	The principles of pricing futures and forwards contracts	Second Exam
13	Hedging strategies for futures contracts	
14	Foreign exchange options	
15	Review	
16	Final Examination	Final Examination

Expected workload:

On average students need to spend 2 hours of study and preparation for each 50-minute lecture/tutorial.

Attendance policy:

Absence from lectures and/or tutorials shall not exceed 15%. Students who exceed the 15% limit without a medical or emergency excuse acceptable to and approved by the Dean of the relevant college/faculty shall not be allowed to take the final examination and shall receive a mark of zero for the course. If the excuse is approved by the Dean, the student shall be considered to have withdrawn from the course.

Module references**Books**

- Don M. Chance & Robert Brooks, An Introduction To Derivatives And Risk
.(Management (10th Edition), Southwestern Cengage Learning (2014
Hussein abalkadr, analysis and evaluation of the projects,1996

Journals

- Journal of Multinational Financial Management

Websites

Financial management www.Google.com

Financial Management www.Amazon.com