

BUSS386(03) Futures and Options

Prof. Ji-Woong Chung

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Course Information

Time and Venue: Wednesdays, 13:30 – 16:15

Instructor: Ji-Woong Chung

- **Office:** 503, Main Building
- **Office Hours:** By appointment (via email)
- **Email:** chung_jiwoong@korea.ac.kr

Classroom: HM B301

Teaching Assistant: Jae-Kyung Kim

- **Email:** kjknal77@naver.com

Textbook

- *Options, Futures, and Other Derivatives (Global Edition, 9th)* by John C. Hull
 - Accessible via the **Korea University Library**
 - Lecture materials are available at the **course GitHub repository**: <https://github.com/chung-jiwoong/BUSS386-Slides>
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Prerequisite

Recommended: BUSS207 (Financial Management)

Course Objectives

This course introduces fundamental concepts related to **derivative securities** and their applications.

Topics covered include:

- Forward contracts, futures, options, and swaps
 - Trading strategies
 - Properties of derivatives
 - Hedging techniques
 - Valuation of derivatives
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Grading

Your final grade will be based on:

- **Midterm exam (40%)** and **Final exam (50%)**
- **Class discussion and participation (10%)**
- **Optional Presentation (+5% extra credit, maximum)**

Exams (40% + 50%)

- One **midterm exam** and one **final exam** will be conducted in-class using Blackboard.
- Students must bring their own laptops.
- Absences from exams will only be excused for **serious medical reasons**, with a doctor's note.
- **No make-up exams** will be provided for other reasons.

Tentative Exam Schedule:

- **Midterm Exam:** Wednesday, April 23rd, 13:30 – 15:30
- **Final Exam:** Wednesday, June 18th, 13:30 – 15:30

Class Discussion and Participation (10%)

- Active participation is **highly encouraged** both **in class** and in the **online discussion board**.
- Students are expected to **ask questions, answer classmates' questions, and engage in discussions**.

Optional Individual or Team Presentation (+5%)

- Students may choose a topic related to financial derivatives for their presentation.

Presentation Guidelines:

- Work **individually or in teams** (self-formed).
- **First-come, first-served** for topic selection.
- Each presentation should be **no longer than 15 minutes**.
- **Evaluation Breakdown:**
- **50%:** Peer evaluation by classmates
- **50%:** Instructor evaluation

Presentation Submission Requirement:

- Upload presentation materials to the **GitHub Discussion Board** at least **2 days** before the **presentation date**.

Academic Misconduct

- Academic misconduct **results in automatic failure** and triggers **university-mandated sanctions**.
 - Any suspected misconduct will be reported to the **Department and Committee on Academic Misconduct**.
 - **Academic misconduct includes but is not limited to:**
 - Cheating or sharing information during exams
 - Plagiarism in any submitted work
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Grading Appeals

- Students may appeal exam grading by **submitting a written explanation** via email **within two weeks** after grades are released.
 - **Unjustified requests for grade changes are prohibited** under the **Kim Young-ran Act (Improper Solicitation and Graft Act)**.
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Course Schedule and Readings

The following schedule is tentative and subject to change.

Session	Topic
1	Introduction to derivatives
2	Interest rates
3	Forward/futures prices (Part 1)
4	Forward/futures prices (Part 2)
5	Forward/futures prices (Part 3)
6	Properties of options (Part 1)
7	Properties of options (Part 2)
8	Midterm Exam: April 23rd
9	Trading strategies involving options

Session	Topic
10	Binomial tree model (Part 1)
11	Binomial tree model (Part 2)
12	Black-Scholes model (Part 1)
13	Black-Scholes model (Part 2)
14	Volatility models
15	Exotic options
16	Final Exam: June 18th

Students with Disabilities

- If you require **accommodations** due to a disability, notify the instructor **immediately** to make necessary arrangements.

Course Policies

Copyright Law

- Course materials and lectures are protected by copyright law.
- Materials are for **personal use and study only**.
- **Do not share, distribute, or sell** course materials in **print or digital format** without permission.
- **Recording lectures (audio/video) is prohibited** unless permission is obtained from the instructor.

Anti-Graft Law

- **Do not request grade changes** unless there is a **clear grading error**.
- **Unjustified requests violate the Improper Solicitation and Graft Act (Kim Young-ran Act)**.