

BUSS386(03) FUTURES AND OPTIONS

Fall 2025

Course Information

- Time: Mondays, 3:00–5:45 pm
- Classroom: HMB 303
- Instructor: Ji-Woong Chung (chung.jiwoong@korea.ac.kr)
- Office Hours: By appointment via email
- Teaching Assistant: Jae-Kyung Kim (kjkna177@naver.com)

Course Website: <https://github.com/chung-jiwoong/BUSS386-Slides>

Course Description This course covers the fundamentals of derivative securities and their applications. Topics include forwards, futures, options, and swaps, as well as trading strategies, hedging, pricing, and valuation.

Prerequisite Recommended: BUSS207 (Financial Management)

Main Reference

- John C. Hull, *Options, Futures, and Other Derivatives* (Global 9th Edition). Available via Korea University Library.
- E-Book purchase at
 - https://www.enamuh.com/shop/item.php?it_id=9781292422121 or
 - <https://t2-apac.pearson.com/options-futures-and-other-derivatives-global-edition/9781292410623>

Grading

- Midterm Exam (40%) and Final Exam (50%)
 - Closed-book, taken in class via LMS.
 - One A4 hand-written cheatsheet (both sides) allowed. Typed sheets not permitted.
 - Midterm: Monday, Oct 20, 15:10–17:10
 - Final: Monday, Dec 15, 15:10–17:10
- Class Participation (10%)
 - Active participation in class and on the online board encouraged.
 - Attendance will be randomly checked.
- Optional Presentation (+5% bonus)
 - Individual or team presentation (*le* 15 minutes) on a topic related to derivatives.
 - First-come, first-served topic selection.
 - Evaluation: 50% peer, 50% instructor.
 - Upload slides to GitHub Discussion Board at least two days before presenting.

Course Outline (tentative)

1. Introduction to derivatives
2. Interest rates
3. Forward/futures pricing I
4. Forward/futures pricing II
5. Forward/futures pricing III
6. Chuseok (No class)
7. Option properties
8. **Midterm Exam: Oct 20**
9. Option trading strategies
10. Binomial model I
11. Binomial model II
12. Black–Scholes model I
13. Black–Scholes model II
14. Volatility
15. Exotic options
16. **Final Exam: Dec 15**

Other Policies

- **Academic Misconduct:** Cheating and plagiarism will result in course failure and formal reporting to the university committee.
- **Grading Appeals:** Appeals must be submitted in writing (email acceptable) within 5 days of grade release and must state clear grounds.
- **Students with Disabilities:** Inform the instructor immediately to arrange accommodations.
- **Copyright:** Course materials are for personal study only. Recording or redistribution without permission is prohibited.
- **Anti-Graft Law:** Requests for grade changes without valid grounds are prohibited under the Improper Solicitation and Graft Act.