CMSC 5718 Introduction to Computational Finance

Information about the Final Examination

1. It will be held on **April 20, 2017 (Thursday)**, between **7:15pm-9:45pm**, in **Esther Lee Building (利黃瑤璧樓) ELB 405.**

2. It is an **open-book exam**. You are allowed to bring your own notes.

3. **You should bring a calculator to the exam.** No other electronic devices would be permitted.

4. The format of the examination is as follows:
   - Section 1: 17 multiple choice questions (2 marks for each correct answer, no penalty for wrong answers, total 34 marks)
   - Section 2: 4 questions, all of them with multiple parts (total 66 marks)
   - Total 100 marks.
   - You have to answer all the questions.

5. The final examination accounts for 50% of the total grade of the course.

6. The questions will be based on topics that are covered in the lectures. Extra topics in the course notes and background reading materials that are uploaded in Blackboard will not be examined. Questions with calculations on the following topics will appear in the examination:
   - Risk and return of a portfolio with two assets
   - Capital Market Line
   - Utility functions
   - Security Market Line and its application
   - Calculation of performance ratios
   - Stock valuation approaches
   - Arbitrage strategies (including FX, stock index, option related)
   - Derivative strategy construction
   - Structured Product

   For some of the other topics, questions will be set to test your understanding of the various concepts.