Course Specifications

Course Title:	Derivatives Securities Markets
Course Code:	FIN 460
Program:	BSc of Finance
Department:	Finance
College:	College of Business
Institution:	Prince Sultan University

Table of Contents

A. Course Identification

1. Credit hours:	
2. Course type	
a.	University ☐ College ☐ Department ■ Others ☐
b.	Required ☐ Elective ■
3. Level/year at which this course is offered:	Senior
4. Pre-requisites for this course (if any)**:**	15 CRs including FIN 350
5. Co-requisites for this course (if any)**:**	None

6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	**Traditional classroom**	45	100%
2	**Blended**	-	-
3	**E-learning**	-	-
4	**Correspondence**	-	-
5	**Other**	-	-

7. Actual Learning Hours (based on academic semester)

No	Activity	Learning Hours
Contact Hours		
1	**Lecture**	45
2	**Laboratory/Studio**	-
3	**Tutorial**	-
4	**Others** (specify)	-
	Total	45
Other Learning Hours*		
1	**Study**	45
2	**Assignments**	8
3	**Library**	-
4	**Projects/Research Essays/Theses**	10
5	**Others** (specify)	-
	Total	63

* The length of time that a learner takes to complete learning activities that lead to achievement of course learning outcomes, such as study time, homework assignments, projects, preparing presentations, library times

B. Course Objectives and Learning Outcomes

1. Course Description

The course provides students with the techniques, concepts, and applications relevant to financial derivative securities. Topics include analysis of various types of options and strategies of options trading, principles of trading commodities on future markets, speculation and hedging using derivative securities.

2. Course Main Objective

The course provides students with the techniques, concepts, and applications relevant to financial derivative securities.

3. Course Learning Outcomes

	CLOs	Aligned PLOs
1	**Knowledge:**	
1.1	To describe the nature of the derivatives securities, Futures, Forwards, Options and Swaps and how are they different than other financial instruments.	PLO1
1.2	To describe the use of financial derivatives securities in speculation, hedging and arbitrage.	PLO1
1.3	To describe the characteristics of each of the derivatives securities in now days business environment and how can they help to improve the performance of the firm.	PLO1
2	**Skills :**	
2.1	To build hedging, speculations and arbitrage strategies using various types of derivatives.	PLO2,
2.2	To analyze the payoff of each derivatives securities from the point of view of both the issuer and the holder.	PLO2, PLO3b
2.3	To measure the value of the derivatives securities using the most common approaches.	PLO2, PLO3b
3	**Competence:**	
3.1	Able to understand, analyze and communicate ideas and thoughts in an interactive setting.	PLO4a, PLO4b,
3.2	Able to utilize softwares and data analysis methods to analyze and present decision suggestions.	PLO5

C. Course Content

No	List of Topics	Contact Hours
1	**Chapter 1: Introduction**	5
2	**Chapter 2: Mechanics of Futures Markets**	5
3	**Chapter 3: Hedging Strategies Using Futures**	6
4	**Chapter 4: Interest Rates**	4
5	**Chapter 5: Determination of Forward and Futures Prices**	6
6	**Chapter 7: Swaps**	5
7	**Chapter 9: Mechanics of Options Markets**	4

8	**Chapter 10: Properties of Stock Options**	5
9	**Chapter 12: Introduction to Binomial Trees**	5
10		
Total		45

D. Teaching and Assessment

1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.0	**Knowledge**		
1.1	To describe the nature of the derivatives securities, Futures, Forwards, Options and Swaps and how are they different that other financial instruments.	Lectures Theoretical Discussions, Multimedia Real life Examples Web based cases	Quiz H.W In class questions
1.2	To describe the use of financial derivatives securities in speculation, hedging and arbitrage.	Lectures Theoretical Discussions, Multimedia Real life Examples Web based cases	Exam Quiz H.W In class questions
1.3	To describe the characteristics of each of the derivatives securities in now days business environment and how can they help to improve the performance of the firm.	Lectures Theoretical Discussions, Multimedia Real life Examples Web based cases	Quiz H.W In class questions
2.0	**Skills**		
2.1	To build hedging, speculations and arbitrage strategies using various types of derivatives.	Lectures Real life Examples Web based cases	Exam Quiz H.W In class problem solving questions
2.2	To analyze the payoff of each derivatives securities from the point of view of both the issuer and the holder.	Lectures Real life Examples Web based cases	Exam Quiz H.W In class problem solving questions
2.3	To measure the value of the derivatives securities using the most common approaches.	Lectures Real life Examples Web based cases	Exam Quiz H.W In class problem solving questions
3.0	**Competence**		
3.1	Able to understand, analyze and communicate ideas and thoughts in an interactive setting.	Real life Examples Web based cases	Exam Quiz H.W In class problem solving questions
3.2	Able to utilize softwares and data analysis methods to analyze and present decision suggestions.	Real life Examples Web based cases	Exam Quiz H.W In class problem solving questions
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2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	Quiz 1	4	5%
2	Major Exam 1	6	15%
3	Quiz 2	10	5%
4	Major Exam 2	12	15%
5	Class discussions	Ongoing	5%
6	Assignments	Ongoing	5%
7	Basic Research, Reading and analysis (Group work)	13	10%
8	Final Exam	15	40%

***Assessment task** (i.e., written test, oral test, oral presentation, group project, essay, etc.)

E. Student Academic Counseling and Support

Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice :

Office Hours: 6 hours

F. Learning Resources and Facilities

1.Learning Resources

Required Textbooks	John C. Hull, **Fundamentals of Futures and Options Markets, Global Edition,** 8th edition, 2017, Pearson Publications, ISBN-10: 1292155035, ISBN-13: 9781292155036
Essential References Materials	Sundaram and Das, **Derivatives Principles and Practice**, 2nd edition, McGraw-Hill Irwin, 2015, ISBN10: 0078034736 | ISBN13: 9780078034732.
Electronic Materials	Electronic Materials are available on Moodle Web Sites: www.google.com/finance; www.cnbc.com; www.tadawul.com.sa www.finance.yahoo.com www.investopedia.com www.NYSE.com www.amex.com https://lms.psu.edu.sa/course/view.php?id=3970
Other Learning Materials	

2. Facilities Required

Item	Resources
Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)	Classroom, Whiteboard.
Technology Resources (AV, data show, Smart Board, software, etc.)	Computer Screen, Internet Access
Other Resources (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	N.A.

G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
Effectiveness of teaching and assessmen	Students	Students evaluation survey
Extent of Achievement of CLOs	Students	Course Exit Survey
Quality of Learning/ Assessment	Chairperson/Peers	Class Observation

Evaluation areas (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)
Evaluators (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify)
Assessment Methods (Direct, Indirect)

H. Specification Approval Data

Council / Committee	Aykhasaw
Reference No.	AY19/20 – 5 – 192/1
Date	26/3/2020