Texas A&M University-Commerce
FIN 410 – Analysis of Fin Derivatives - 01B (82581)
Syllabus: Fall 2024

Instructor: Dr. Sharier Azim Khan, CFA
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Office: BA 319 (inside Advising Office)
Office Hours: Tue, Thurs @ 9:30-10:45 am and 2:00-3:15 pm

Class Format: All lecture videos will be uploaded in MyLeo (D2L Brightspace). In addition, in-person Q&A sessions will be held in the main campus building on Tuesdays @ 3:30 pm.

Course Description and Objectives

This course introduces students to the fundamental principles, theories, and techniques used in some of the common financial derivatives such as futures, forwards, swaps and options. The course will cover the pricing of these derivative assets as well as the use of these assets in risk management.

The student, upon completion of this course, should be able to:
   A. Demonstrate an understanding of the common financial derivatives.
   B. Determine the prices of common financial derivatives.
   C. Describe and apply tools for hedging risk, measuring risk, and controlling risk.

Prerequisites

FIN 304, FIN 400 and basic knowledge of Mathematics, Statistics.

Course Materials

Textbook (recommended):   Robert McDonald, *Derivatives Markets,* 3rd Edition, Pearson
Financial calculator: Texas Instruments BAII Plus or BAII Plus Professional
Laptop/Desktop: Microsoft (MS) Excel.

Grading System

Course total score will be based on the following components as below:

D2L Homework Quizzes (9*4 points)	= 36 points
Mid-Term Exam	= 32 points
Final Exam	= 32 points
Total	= 100 points

Grades will be based upon the following standard:

90 points or above	=	A
80 --- 89 points	=	B
70 --- 79 points	=	C
60 --- 69 points	=	D
Below 60 points	=	F

Note: Instructor reserves the right to modify the above grading system with prior announcement in class or thru D2L/ email

Course Requirements

This course will use the MyLeo (D2L Brightspace) course management system. Please check the D2L regularly for course information, class lecture materials, homework quizzes, assignment, exam dates and

announcements. D2L quizzes and assignments typically will have due dates and will not be available for submission after the due date. Because technical problems may arise, please do not wait until the last minute to complete assignments and quizzes. Use only Chrome to access this course on MyLeo (D2L Brightspace). D2L is a Windows-based product. Safari, Firefox, Edge, Internet Explorer (IE) are not supported browsers. Often your assignments are not fully visible/accessible from browsers other than Chrome. If you are using a Mac iOS, you must download the Chrome app. However, the app does not fully guarantee your full accessibility.

Examinations
Exams will be primarily of an objective nature, e.g., problem solving, true-false, and multiple-choice. You will need your financial calculator for each exam. You must not discuss exam contents with any other person. You are on your honor to help preserve the integrity of the exam. Make-up exams will ONLY be considered under extenuating circumstances. Work, personal travel, etc. are NOT extenuating circumstances. Extenuating circumstances would include school sponsored excused event (communicated by faculty advisor/coach), hospitalization, medical emergency, physical injury, or death of an immediate family member. You will be required to provide proof of the extenuating circumstance to be approved for a make-up exam. Make-up exams for students attending school-sponsored events, are scheduled before event departure.

Homework Quizzes
There will be several homework quizzes given during the term through D2L. Each homework quiz will typically cover a chapter and may include both conceptual and problem questions. Each homework quiz will have its deadline and there will be NO extension on the deadline.

Tentative Course Schedule

Dates	Chapter/ Exam/ Others
Week 1	1: Introduction to Derivatives
Week 2	2: Introduction to Forwards and Options
Week 3	2: Introduction to Forwards and Options (cont.)
Week 4	3: Insurance, Collars, and other Strategies
Week 5	3: Insurance, Collars, and other Strategies (cont.)
Week 6	5: Financial Forwards and Futures
Week 7	**Mid-Term Exam: Chapters 1-3 & 5 on Oct 12-14**
Week 8	6: Commodity Forwards and Futures
Week 9	7: Interest Rate Forwards and Futures
Week 10	8: Swaps
Week 11	8: Swaps (cont.)
Week 12	9: Parity and other Option Relationships
Week 13	9: Parity and other Option Relationships (cont.)
Week 14	12: The Black-Scholes Formula
Week 15	12: The Black-Scholes Formula (cont.)
Week 16	**Final Exam: Chapters 6-9 & 12 on Dec 7-9**

Note: All dates are tentative and may be changed with prior announcement in class or thru D2L/ email.

A&M-Commerce Supports Students' Mental Health
The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center's crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel

Students with Disabilities
The Americans with Disabilities Act (ADA) is a Federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:
Office of Student Disability Services
Email: StudentDisabilityServices@tamuc.edu
Web: https://www.tamuc.edu/student-disability-services/

Academic Integrity
Students at Texas A&M University-Commerce are expected to maintain high standards of integrity and honesty in all of their scholastic work. For more details and the definition of academic dishonesty, see the following procedures:
Undergraduate Academic Dishonesty 13.99.99. R0.03
https://inside.tamuc.edu/aboutus/policiesproceduresstandardsstatements/rulesprocedures/13students/undergraduates/13.99.99.R0.03UndergraduateAcademicDishonesty.pdf
Graduate Student Academic Dishonesty 13.99.99. R0.10
https://inside.tamuc.edu/aboutus/policiesProceduresStandardsStatements/rulesProcedures/13students/graduate/13.99.99.R0.10.pdf

Nondiscrimination Statement
Texas A&M University-Commerce will comply in the classroom, and in online courses, with all Federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information, or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

Campus Concealed Carry
Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations.
For a list of locations, please refer to the Carrying Concealed Handguns On Campus document and/or consult your event organizer.
Web url:
https://inside.tamuc.edu/aboutus/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf
Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M- Commerce campuses.
Report violations to the University Police Department at 903- 886-5868 or 9-1-1.

Use of Artificial Intelligence (AI)
Texas A&M University-Commerce acknowledges that there are legitimate uses of Artificial Intelligence, ChatBots, or other software that has the capacity to generate text, or suggest replacements for text beyond individual words. **Any use of such software must be documented.** Any undocumented use of such software constitutes an instance of academic dishonesty (plagiarism). In any case, students are fully responsible for the content of any assignment they submit, regardless of whether they used an AI, in any way. **This specifically includes cases in which the AI plagiarized another text or misrepresented sources.**