

*Department of Accounting & Finance
College of Business
East Texas A&M University*

**FIN 410 (01W) – Analysis of Financial Derivatives
Fall 2025 Semester**

Instructor: Dror Parnes, Ph.D.

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Class Hours: Any time, online course

Office Hours: Monday, 2:45 PM – 5:15 PM / Wednesday, 2:45 PM – 5:15 PM in BA302

Course Dates: 8/25/2025 – 12/12/2025

Course Description and Objectives

This course introduces students to the fundamental principles, theories, and techniques used in some of the more common financial derivatives and their respective markets. We will cover the methods of hedging, speculation, and arbitrage within the topics of equity options, futures, forwards, swaps, exotic options, the Greeks, and foreign currency options. Students will accordingly enhance their capabilities of analytical problem solving in common business environments.

Prerequisites

FIN 400 and a basic knowledge of Calculus, Statistics, and Accounting.

Textbook

“An Introduction to Derivatives and Risk Management,” by: Don M. Chance and Robert Brooks (editors), Cengage Learning, 10th edition, 2016.

 We will not strictly follow this textbook. There are topics in the course that somewhat deviate from the book. The textbook can be used as further reading material, but all you need for the course are my Power Point slides, and my practice questions and answers already posted.

Exams and Grading

There is no need to submit any of the homework practice questions and answers. There will be 3 relatively short exams during the course. First exam: 12 problems for 75 minutes. Second exam: 8 problems for 60 minutes. Third exam: 5 problems for 45 minutes. These exams will cover the most recent lectures, and they will be non-cumulative.

Course Content and Communication

All communications will take place through ETAMU official website (D2L).

Grading System

Your final grade will be based on the accumulated scores of the 3 exams during the course (notice that in total, there will be $12+8+5=25$ problems, so each one gets 4 points). In light of the high intensity of the course, make-up exams are only for students with proven medical records or extreme circumstances. Once this average is computed, I will assign a final grade according to: 'A' (from 90 to 100), 'B' (from 80 to 90), 'C' (from 70 to 80), 'D' (from 60 to 70), 'F' (less than 60). *There will be no more optional bonus points or mercy assignments, so make sure to do your best these exams!*

 We will use a lot of calculus, mathematical, and statistical methods during the course. I will attempt to clarify these techniques when it is relevant, yet I can only do that concisely. Make sure to refresh your memory with those techniques. The best time to do that is yesterday!

Attendance and general behavior

This is an online course, and students must have high self-discipline. It is your responsibility to listen to the online lectures, to download / print the Power Point presentations and the practice questions and answers, and to take as many notes as you can. If you have additional questions, catch my attention right away (likely through email), or come to discuss it over office hours, but please don't wait until the last moment before the exams.

Zoom Meetings

There will be at least 3 Zoom meetings during the semester, so please follow the announcements on D2L regarding the dates, hours, and content.

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 Resources and Services, Gee Library Room 132
Phone: (932) 886 – 5150 or (932) 886 – 5835
Email: Rebecca.Tuerk@tamuc.edu

Scholastic Dishonesty

Academic integrity is the cornerstone of the university. Any student, who attempts to gain an unfair advantage over other students by cheating, will fail the course and be reported to Texas

A&M University-Commerce. “All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment” Student Handbook.

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 (<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). 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.

Counseling Center

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

AI Use Policy

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, as determined by the instructor of the course. Any use of such software must be documented. Any undocumented use of such software constitutes an instance of academic dishonesty (plagiarism).

Individual instructors may disallow entirely the use of such software for individual assignments or for the entire course. Students should be aware of such requirements and follow their instructors’ guidelines. If no instructions are provided, the student should assume that the use of such software is disallowed. 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.

13.99.99.R0.03 Undergraduate Academic Dishonesty

13.99.99.R0.10 Graduate Student Academic Dishonesty

Class Schedule

Class	Topic
1	Introduction & Options Markets and Valuation
2	Options Markets and Valuation
3	Options Markets and Valuation
4	Exam #1
5	Futures and Forwards
6	Futures and Forwards
7	Swaps
8	Swaps
9	Review
10	Exam #2
11	Exotic Options
12	The Greeks
13	Foreign Currency Options
14	Review
15	Exam #3

 The schedule is due to possible changes...

Good luck!