

University of Pretoria Yearbook 2021

Mathematical models of financial engineering 732 (WTW 732)

Qualification	Postgraduate
Faculty	Faculty of Natural and Agricultural Sciences
Module credits	15.00
NQF Level	08
Programmes	BScHons Financial Engineering BScHons Mathematics of Finance
Prerequisites	No prerequisites.
Contact time	2 lectures per week
Language of tuition	Module is presented in English
Department	Mathematics and Applied Mathematics
Period of presentation	Semester 1

Module content

Introduction to markets and instruments. Futures and options trading strategies, exotic options, arbitrage relationships, binomial option pricing method, mean variance hedging, volatility and the Greeks, volatility smiles, Black-Scholes PDE and solutions, derivative disasters.

The information published here is subject to change and may be amended after the publication of this information. The [General Regulations \(G Regulations\)](#) apply to all faculties of the University of Pretoria. It is expected of students to familiarise themselves well with these regulations as well as with the information contained in the [General Rules](#) section. Ignorance concerning these regulations and rules will not be accepted as an excuse for any transgression.