

# University of Pretoria Yearbook 2017

## Mathematical models of financial engineering 732 (WTW 732)

<b>Qualification</b>	Postgraduate
<b>Faculty</b>	<a href="#">Faculty of Natural and Agricultural Sciences</a>
<b>Module credits</b>	15.00
<b>Programmes</b>	<a href="#">BScHons Financial Engineering</a> <a href="#">BScHons Mathematics of Finance</a>
<b>Prerequisites</b>	No prerequisites.
<b>Contact time</b>	2 lectures per week
<b>Language of tuition</b>	Module is presented in English
<b>Academic organisation</b>	Mathematics and Applied Maths
<b>Period of presentation</b>	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.

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