Mathematical and computational finance 831 (WTW 831)

Qualification	Postgraduate
Faculty	Faculty of Natural and Agricultural Sciences
Module credits	0.00
Prerequisites	Financial Engineering on honours level
Contact time	1 lecture per week
Language of tuition	Module is presented in English
Department	Mathematics and Applied Mathematics
Period of presentation	Semester 1

Module content

*Consult with the Head of the Department of Mathematics and Applied Mathematics about the availability of this master’s module in a particular year.
Stochastic Calculus: Multidimensional Itô formula, correlated Wiener processes, the infinitesimal operator, SDE's, PDE's, the Kolmogorov equations, martingales, stochastic integral representations and Gisanov's theorem. The martingale approach to arbitrage theory. Bonds and interest rates: Martingale models, standard models, the Heath-Jarrow-Morton framework. Monte Carlo methods. Finite difference methods.