

## Syllabus for 5155231

### Futures Markets

Spring, 2021

**Instructor:** 何加政

**Office number:** 管 342

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**Office hours:** Tuesday 11:00-12:00; Wednesday 9:00-10:00

#### Required textbook:

1. Hull, John C., 2018, Options, Futures, and Other Derivatives, 9<sup>th</sup> edition, Pearson Prentice Hall.
2. Selected articles.

#### References:

1. Kolb, Robert W., and James A. Overdahl, 2006, Understanding Futures Markets, 6<sup>th</sup> edition, Blackwell Publisher Inc.
2. Duffie, Darrell, Futures Markets, 1989, Prentice Hall
3. Sutcliffe, Charles, Stock Index Futures, 2<sup>nd</sup> edition, 1997, International Thomson Business Press.

#### Course objectives:

This course is to provide students with a general understanding of the economic functions of futures markets.

#### Exams:

Examination	Date	Materials covered	Percentage
Exam #1	to be determined	Chapters 1 & 2	equal weight
Exam #2	to be determined	Chapter 3	equal weight
Exam #3	to be determined	Chapter 5	equal weight
Exam #4	June 21, 2021	Chapters 4 & 6	equal weight

※ Note that all these are closed-book written exams. The number of exams that will be given may vary. All exams, regardless of how many, are equally weighted.

#### Attendance:

本課程將記錄每堂課出席狀況，將作為本課程期末成績額外加分之依據。加分方式可能採線性方法計算。也可能採非線性方法計算，若出席率低於 50%，將可能不予加分；出席率介於 50%到 90%者將酌量加分；出席率高於 90%，將依出席率得到優惠加分。此外，若需要時，本課程將不定時記錄上課遲到狀況，也將

作為本課程期末成績額外加分之依據。

Attendance will not be formally taken. However, I will take attendance informally. This will not downward affect your final grade but I will reserve the right to upgrade your final grade according to the record of your attendance. The extra grade point will be determined according to either a linear scheme or a nonlinear scheme, or a combination of the two. You may not get any extra point if your attendance is below 50% and get more extra points when your attendance is above 90%. Furthermore, we may take a record on whether you come into class at the scheduled time and use it as another means of determining further bonus points when necessary.

**Selected articles:**

1. Silber, William L., 1984, Marketmaker behavior in an auction market: An analysis of scalpers in futures markets, *Journal of Finance*, Vol. 39, No. 4, 937-953.
2. MacKinlay, Craig A., and Krishma Ramaswanmy, 1988, Index-futures arbitrage and the behavior of stock index futures prices, *The Review of Financial Studies* Vol. 1, 137-158.
3. Yadav, Pradeep K. and Peter F. Pope, 1994, Stock Index Futures Mispricing: Profit Opportunities or Risk Premia? *Journal of Banking and Finance*, 1994, 921-953.

**Topics:**

1. An introduction to futures markets
2. Hedging using futures
3. Pricing futures
4. Index futures
5. Interest rate futures