



**EAST CHINA NORMAL UNIVERSITY**  
**GEC International Summer School**  
**FINE448 Derivative Markets**

**Term: June 16<sup>th</sup> to July 18<sup>th</sup>, 2025**

**Class Hours: Monday through Friday, 110 minutes each day (2,750 minutes in total)**

**Instructor: Jing Nie**

**Home Institution: TBD**

**Location: TBD**

**Office hours: TBD**

**Email: TBD**

***Course Description***

This course will cover selected basic topics on futures, options and their markets, with particular emphasis on financial futures and stock options. Theoretical models and some empirical results will provide the major areas of study. The remainder of the course will examine the institutional background of investment in these securities. Some problems and practical applications will be analyzed.

***Required Textbook***

The only textbook required is *Option, Futures and other Derivatives*, 10th Edition; by John Hull. There may be additional material depending on the professor.

Language: English

Print ISBN-13: 978-0134472089

***Language of Instruction***

This course is taught entirely in English, including lectures, homework, assignments and examinations. Teaching assistants will be fluent in both English and Mandarin.



## ***Course prerequisite***

Intro to Finance

## ***Departmental Attendance Policy***

Lecture attendance and participation points are given to encourage student's active class participation and discussion. You will be rewarded with a perfect score if you come to class and actively contribute to the class discussion during recitations and lectures. Regular attendance is expected. Missing five classes (20% of the lectures) is grounds for automatic failure in this course. Many of the failures in this course are due to students missing classes.

## ***Teaching Method***

This course is taught using a combination of the lecture and student participation methods. The class will participate in several in-class exercises intended to reinforce the concepts discussed in the lectures and in the text. It is imperative that you actively participate in these discussions. We will cover approximately 1 chapter each class, plus supplementary readings as listed and augmented as the course progresses.

## ***Grading Policy***

Assignments and examinations will be graded according to the following grade scale:

A	90-100	C+	72-74
A-	85-89	C	68-71
B+	82-84	C-	64-67
B	78-81	D	60-63
B-	75-77	F	below 60

## ***Evaluation Plan***

A student's Final Grade is a combination of the Class Mark and the mark on the Final Exam.



The Class Mark will be 20% (participation), 30% is your midterm exam score. 50% is your final exam score. The Final Exam is marked by each individual instructor. Every effort is made to ensure equivalence between the various sections of the course.

### ***Grade Component***

Participation	20%
Midterm Exam	30%
Final Exam	50%
Total	100%

### ***Tentative Course Schedules***

DATE	TOPICS	CH	REMARKS
DAY 1	Introduction of Financial Derivatives	1	
DAY 2	Forward and Futures: Market mechanism	2	
DAY 3	Forward and Futures: Hedging strategies	3	
DAY 4	Forward and Futures: Pricing methods	5	
DAY 5	Forward and Futures: Interest rate futures	6	
DAY 6	Swaps : Nature of Swaps	7	
DAY 7	Swaps: Interest Rate Swap + Currency Swap	7	
DAY 8	Midterm Review Session + Midterm Exam		
DAY 9	Options: Mechanics of options market	10	
DAY 10	Options: Properties of stock options	11	
DAY 11	Options: Trading strategies involving options	12	



DAY 12	Options: Binomial trees	13	
DAY 13	Options: The Black–Scholes–Merton model	15	
DAY 14	Options: The Greek letters	19	
DAY 15	Final Review Session + Final Exam		

\*While this syllabus should provide you with an outline of the course, grading criteria and a tentative schedule, please note that the instructor reserves the right to modify this syllabus and schedule as deemed necessary.

### ***University Policy***

Changes to Evaluation Plan in Course Outline: Changes to the evaluation plan, during the semester, require unanimous consent.

Course Evaluation: Students will receive a course evaluation in accordance with university procedures.

Grade Review: It is the responsibility of students to keep all assessed material returned to them in the event of a grade review.

Results of Evaluations: Students have the right to receive the results of evaluation, for regular day division courses, within two weeks. For evaluations at the end of the semester/course, the results must be given to the student by the grade submission deadline.

Cheating and Plagiarism: Cheating and plagiarism are serious infractions against academic integrity, which is highly valued at the University; they are unacceptable at ECNU. Students are expected to conduct themselves accordingly and must be responsible for all their actions.

### ***Academic Integrity***

All students are expected to act with civility, personal integrity, respect other students' dignity, rights and property; and help create and maintain an environment in which all can succeed through the fruits of their own efforts.

An environment of academic integrity is requisite to respect for self and others and a civil community.



Academic integrity includes a commitment to not engage in or tolerate acts of falsification, misrepresentation or deception. Such acts of dishonesty include cheating or copying, plagiarizing, submitting other persons' work as one's own, using Internet sources without citation, taking or having another student take your exam, tampering with the work of another student, facilitating other students' acts of academic dishonesty, etc.

Sanctions for breaches in academic integrity may range, depending on the severity of the offense from an "F" grade on an assignment or test to an "F" in the course. Severe cases and/or repeat offenses of academic dishonesty may also result in more severe disciplinary sanctions up to and including suspension or expulsion.