

300-412 Advanced Financial Mathematics II

Credit Points:	12.50
Level:	4 (Undergraduate)
Dates & Locations:	2009, This subject commences in the following study period/s: Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: Three hours of lectures and/or tutorials per week Total Time Commitment: Not available
Prerequisites:	300-408 Advanced Financial Mathematics I (/view/2008/300-408) .
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p> </p>
Coordinator:	Dr Mark Joshi
Subject Overview:	No-arbitrage pricing in continuous-time models; rational bounds for puts and calls; multidimensional Brownian motion and stochastic calculus; Girsanov's Theorem; pricing of options on dividend-paying securities; connections with partial differential equations; exotic options; interest-rate derivatives; actuarial applications.
Objectives:	.
Assessment:	A 50-minute mid-semester test (20%) and a 2-hour end of semester examination (80%).
Prescribed Texts:	None
Recommended Texts:	Information Not Available
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p># High level of development: written communication; problem solving; statistical reasoning; application of theory to practice; interpretation and analysis; critical thinking.</p> <p># Some level of development: synthesis of data and other information; evaluation of data and other information.</p>