

Syllabus

OPTIONS & SECURITIES FINANCE 867	
Professor:	Dr. Dennis M. Conley
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Office Hours:	Arranged

COURSE DESCRIPTION

Examines the conceptual framework for futures and options markets and the corresponding derivative instruments traded in those markets. Provides an introduction to the theory of pricing and risk management using futures and options contracts. Practical applications will explore empirical price relationships, hedging strategies, effectiveness and risk-return tradeoffs. Presentation includes lecture, discussions, problem assignments and use of a trading simulation.

PREREQUISITES

An undergraduate course in each of the following: statistics, finance, economics and calculus. Proficiency in the use of EXCEL software including statistical and regression procedures. The External Links button in the course website contains links to some websites with Excel statistical information.

COURSE OBJECTIVES

The student should be able to:

1. Understand the concepts and terminology associated with futures and options markets.
2. Analyze price relationships for a variety of contracts.
3. Develop measures of risks associated with prices in both cash and futures markets.
4. Evaluate methods for risk management.
5. Discover one's own effectiveness at trading in futures and options markets.

PARTICIPATION

The course will be conducted on-line and it is divided into learning modules. All students are expected to stay current on course material, assignments and project participation according to the Schedule of Class Topics.

GRADING

The course grade is based on exams, quizzes, homework assignments and project participation. Each student will work on a semester-long project associated with futures trading and the student is expected to make periodic reports to the class. The student is responsible for the material covered in the assigned readings that serve as background for lectures and discussion. The composition of the course grade is shown below:

Activity	Number	Percentage
Exams	2	40%
Quizzes	3	30%
Assignments	3	30%
Total		100%

The curve for the final course grade is as follows:.

Letter Grade	Score	
A	90-100	A "+" will be added to a grade when the points are in the top 3 of a range. A "-" will be added when the points are in the bottom 3 of a range.
B	80-89	
C	70-79	
D	60-69	
F	below 60	

CONDUCT

Plagiarizing, in any form the work of another is a form of academic dishonesty and will result in

an automatic failing grade for the entire course. By the act of submitting written work to satisfy the requirements of a given course, a student makes the claim, except as otherwise noted in the paper or as previously agreed with the course instructor, that the work is the student's own and that the work has been prepared originally for the course.

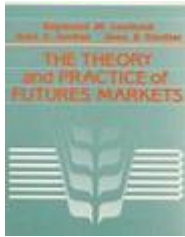
I expect that everyone in this class (I include myself in this group) will conduct themselves in a professional manner. It is the policy of the University of Nebraska-Lincoln to not discriminate on the basis of sex, sexual orientation, handicap, race, color, religion, national or ethnic origin in its educational programs. The faculty of the College of Business Administration strongly support this policy. If you feel that some form of discrimination has been directed at you, tell a University administrator, professor, counselor or contact the UNL Equity, Access and Diversity Office, 127 Admin (472-3417) or the Office of Student Judicial Affairs, 125 Admin. (472-2021).

REFERENCE MATERIAL

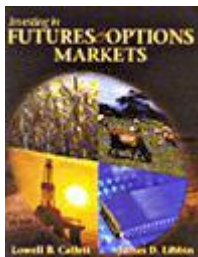
Textbooks for this course can be purchased through the web site:

<http://www.efollett.com/webapp/wcs/stores/servlet/CategoryDisplay?langId=-1&catalogId=10001&storeId=27404&storeId=27404&categoryId=9604&demoKey=d>

or at the specific web site or address listed with the book. There is a fee for using the futures and options market simulation. The instructor will make additional reading material and sources of information available.



Raymond M. Leuthold, Joan C. Junkus and Jean E. Cordier (LJC). *The Theory and Practice of Futures Markets*, Lexington Books, D.C. Heath and Company, 1989, ISBN 0-87563-977-5. Stipes Publishing L.L.C., 2000. 204 W. University Ave., Champaign, Illinois 61820. It can be ordered from Stipes at www.stipes.com. Under "Titles for Classroom Adoption" see "Agriculture". Scroll down to find the book title. Go to "Ordering Information". Cost is around \$33 + \$12 shipping.



Lowell B. Catlett and James D. Libbin (CL). *Investing in Futures and Options Markets*, ISBN-13:97808273815702. Delmar Publishers, 1999, <http://www.delmar.com>. Available from Cengage Learning, Inc., P.O. Box 6904, Florence, KY 41022-6904. In the Search box enter the author's name of "Catlett" for the Higher Education catalog entry. The list price is \$121.99. At www.amazon.com the new paperback price is \$55.00 to around \$124.

STOCK-TRAK® *Portfolio Simulations*

Stock-Trak Portfolio Simulations, Stock-Trak, Inc. A futures and options market online simulation. <http://www.stocktrak.com>. Cost is around \$27 per student paid directly to StockTrak, Inc., 5115 Av. Trans Island, Suite 205, Montreal, QC H3W 2Z9, Canada. Phone: 1-514-871-2222. **Website:**www.wallstreetsurvivor.com

You will receive instructions from Dr. Conley on how to register and activate your StockTrak account. A valid payment method is required such as Visa or MasterCard. Once registration is complete your account will be open and actual trading will start on or around the first official week of the course.

TECHNICAL PROBLEMS

For all technical problems related to this course, please contact:

Instructional Design Technology Specialist	UNL Information Services Help Center
Phone: (402) 472-4290	Phone: (402) 472-3970 or toll free at (866) 472-3970
E-mail: gsunderman2@unl.edu	E-mail: mysupport@unl.edu
Hours: Monday thru Friday, 8:00 am to 5:00 pm CT	Hours: Monday thru Friday, 7:30 am to 7:30 pm CT; Saturday & Sunday, Noon to 7:00 pm CT

STUDENTS WITH DISABILITIES:

Students with disabilities are encouraged to contact the instructor for a confidential discussion of their individual needs for academic accommodation. It is the policy of the University of Nebraska-Lincoln to provide flexible and individualized accommodation to students with documented disabilities that may affect their ability to fully participate in course activities or to meet course requirements. To receive accommodation services, students must be registered with the Services for Students with Disabilities (SSD) office, 132 Canfield Administration, 472-3787 voice or TTY.