Dr. V. N. Bedekar Institute of Management, Thane
Teaching Plan (MMS/PGDM)
Academic Year (2016-2017)

Programme Name: PGDM: TRIMESTER-V

Name of the Course: DERIVATIVES AND RISK MANAGEMENT

Maximum marks:100 No. of Sessions: 10

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Learning Objectives:

Key objectives of the course is to understand the following aspects of Equity derivatives market:

- concepts and terminologies
- operational
- regulatory
- valuation
- applications

Reference Books/suggested readings:

- FUTURES AND OPTIONS : CONCEPTS AND APPLICATIONS

  by Sunil K Parameswaran

- FUTURES AND OPTIONS

  by A N Sridhar

- COMMODITIES AND FINANCIAL DERIVATIVES

  by S Kevin

- DERIVATIVES AND RISK MANAGEMENT

  by Jayanth Rama Varma

- OPTIONS, FUTURES AND OTHER DERIVATIVES

  by John Hull

- FINANCIAL DERIVATIVES

  by Mishra and Debasish

Websites:

www.sebi.gov.in

www.nseindia.com

www.bseindia.com

Plan:

Session No	Topics to be covered	Books referred/ Recommended/ References-Print/Articles/ News/Research papers/ Online database/ Software /Simulations used	Learning outcomes	Evaluation of Students understanding by MCQs, Quiz, Short Test
1	**Introduction to Derivatives** Application of Derivatives – for Risk Management & Speculation(Leveraging) Basic terms & properties of Options/Futures/Forwards	BOOKS REFEREED/RECOMMENDED ABOVE , DAILY FINANCIAL NEWSPAPERS, WEBSITES REFERRED ABOVE ETC.	UNDERSTANDING OF DERIVATIVES	MCQ/QUIZ/DISCUSSION ETC.
2 & 3	**Futures & Forwards** • Pricing and Valuation of Futures/Forwards • Risk Management using Futures • Basis risk	-------------------‶-------------------------	PRICING AND APPLICATIONS OF FORWARD & FUTURES	------------‶-----------

4	**Mechanics and properties of Options** • Put-call parity and its interpretation • Options sensitivity to the ○ Underlying ○ Volatility ○ Strike Price ○ Interest rate ○ Time to expiration	-------------------"-------------------------	UNDERSTANDING OF OPTIONS	------------"-----------
5	**Basic Options strategies**	-------------------"-------------------------	UNDERSTANDING OF OPTION STRATEGIES	------------"-----------
6	**Trading** • Directional Strategies(A Call/Put/Bull Spread/Bear spread etc.) • Volatility based strategies (Straddle/Strangle)	-------------------"-------------------------	UNDERSTANDING OF ADVANCED OPTION STRATEGIES	------------"-----------
7	**Risk Management**	-------------------"-------------------------	KNOWLEDGE OF RISK MANAGEMENT USING OPTIONS	------------"-----------

	• Protective Put • Covered Call			
8	**Introduction to Option Valuation** • Black & Scholes Model • Interpreting the B & S formula	-------------------"-------------------------	UNDERSTANDING OPTION PRICING	------------"-----------
9	**Underlying Options Greeks and Volatility** Delta/Theta/Vega & Gamma risks of options • Historical & Implied Volatility • Value at risk	-------------------"-------------------------	UNDERSTANDING OPTION GREEKS, VOLATILITY AND VALUE AT RISK	------------"-----------
10	**Case studies and Presentations**	-------------------"-------------------------	SOLVING CASE STUDIES AND PRESENTATION SKILLS	------------"-----------

2. Practical Approach : **Other activities (Atleast 4 distinct activities)**

Sr. No.	Activity Name	Topic Coverd	Learning outcomes	Source

1	Role Play(FUTURES STRATEGIES)	**FUTURES STRATEGIES**	**ROLE PLAY EXPERIENCE**	**BOOKS**
2	Industry Visit			
3	Academic Projects(DERIVATIVES)	**EQUITY/EQUITY INDEX DERIVATIVES**	**REPORT WRITING SKILLS**	**BOOKS/NEWSPAPERS ETC.**
4	Book Review			
5	Group Discussion			
6	Business Quiz / Business News sharing(FIN. NEWS)	**DERIVATIVES**	**READING OF FINANCIAL NEWSPAPERS**	**FINANCIAL NEWSPAPERS**
7	Videos / Simulation (LIVE MARKET UNDERSTANDING)	**DERIVATIVES**	**PRACTICAL ASPECTS OF DERIVATIVES**	**EXCHANGE WEBSITES**
8	Use of Softwares and Labs			
9	Any other activity (QUIZ/MCQ)	**DERIVATIVES**	**UNDERSTANDING DERIVATIVES MARKET**	**BOOKS/NEWSPAPERS /WEBSITES ETC.**

Evaluation:

I) Internal:

Component	Details	Marks
Class Test	MCQ	20
Presentation	PROJECT	10
Case Study		
Participation	INTERACTION	5
Others	ATTENDANCE	5

Signature of Faculty **Signature of the Co-ordinator**