COURSE DESCRIPTION: In this course, students will learn how to use derivatives to achieve financial goals, how to price and hedge derivatives, and how to measure and manage the risks of derivatives. It will cover these issues from both a theoretical and practical point of view. Topics include the institutional structure of financial markets in futures, forwards, options and other derivatives, and modern issues in the pricing and hedging of derivative positions. In addition, there will be computer based homework problems that will introduce software and methods useful in the industry. Although there are no prerequisites, students should be comfortable with simple calculus and statistics.