

Actuarial Science & Risk Management 410 M1  
(Investments and Financial Markets) Spring 2019

**GENERAL INFORMATION**

Instructor: Professor Aimo Hinkkanen  
Office: 345 Illini Hall, phone 244-7306, e-mail: [aimo@illinois.edu](mailto:aimo@illinois.edu)  
Office hours: Tuesdays 2:30-3:30 pm, Thursdays 3:00-3:50 pm, or by appointment  
Lectures: Tuesdays and Thursdays 12:30-1:50 pm in 1000 Lincoln Hall  
Course web page: <https://faculty.math.illinois.edu/~aimo/asrm410.html>

Textbook (optional): Robert L. McDonald, *Derivatives Markets*, third edition, Pearson, 2013. Lecture notes are available at the course web page.

There will be three midterm exams and a final exam. **Tentative dates of midterm exams** (subject to change):

Th February 14                      T March 12                      Th April 18

More precise information on the dates of the midterm exams will be provided later. They will all be held during regular class time in the regular classroom.

**Final exam:** Friday, May 10, 8:00–11:00 am, in the regular classroom.

**Grading:** The grade for the course will be based on the **total points** from the best two **midterm exams** (the maximum score will be 100 in each), the **final exam** (maximum score 100), and **quizzes** (points **normalized** so that the maximum score will be 100). Hence the maximum score will be 400 for the total points.

**Quizzes.** After the first week, there will be a **quiz at the beginning of each class** (apart from a few exceptions). In each quiz, there will typically be up to three questions, each graded either 5 or 0 points depending on whether your answer is completely correct or not. A certain number (at least three) of lowest quiz scores will be dropped. (The exact number of quizzes to be dropped depends on how many quizzes we end up having during the semester and will be announced later.) Dropping one midterm exam and a number of quizzes is intended to provide leeway for those times when a student is ill, or needs to go to a job interview, or has a family emergency, or just misses class or is late for the class for any reason. If you miss an exam or a quiz, you will get zero points for it. As this system allows you to miss one exam and at least three quizzes without you giving any reason for it, **no make-up exams or quizzes will be given**. Exceptions will be considered only in the case of a **prolonged** illness indicated by a doctor's note. You are encouraged to take all exams and quizzes and do your best.

**No books or notes will be allowed in the midterm exams, the quizzes, and the final exam. You will need a calculator for all of them. Any other reference information that will be allowed, will be provided at the quiz or exam. Bring your university ID to the midterm exams and the final exam.**

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Approximate time schedule

The chapters refer to the optional textbook: Robert L. McDonald, Derivatives Markets, third edition, Pearson, 2013, to indicate the material covered. This is a tentative plan, and small changes may occur. Lecture notes are available at the course web page.

Dates	Sections of the textbook to be covered	
1/15,17	Chapters 1,2	
1/22,24	Chapters 3,4	
1/29,31	Chapters 5,6	
2/5,7	Chapter 7,8	
2/12,14	Chapter 9	EXAM Th 2/14
2/19,21	Chapters 10,11	
2/26,28	Chapters 12,13	
3/5,7	Chapters 14,18	
3/12,14	Chapter 19	EXAM T 3/12
	3/16–24 Spring Vacation	
3/26,28	Chapter 20	
4/2,4	Chapter 21	
4/9,11	Chapter 22	
4/16,18	Chapter 23	EXAM Th 4/18
4/23,25	Chapter 25	
4/30	Chapter 24	

Note that the **dates for the midterm exams** are **tentative** (subject to change).

**Final exam:** Friday, May 10, 8:00–11:00 am, in the regular classroom.