Course Code	MB18FM06	Course Name	FINANCIAL DERIVATIVES	Course Category		*Elective course*	L	T	P	C
							2	0	2	3

Pre-requisite Courses	NA	Co-requisite Courses	NA	Progressive Courses	NA
Course Offering Department	MBA	Data Book / Codes/Standards			

Course Learning Rationale (CLR):	*The purpose of learning this course is to:*	Learning	Program Learning Outcomes (PLO)

		1	*2*	*3*	1	2	3	4	5	6	7	8	9	10	11	12
		Level of Thinking (Bloom)	*Expected Proficiency (%)*	*Expected Attainment (%)*	Effective communication skills	Initiate critical thinking	Resources analysis for organizations	Familiarize organizations and its stakeholders	Integrate functional knowledge with strategic skills	Comprehend effectively in globalized environment	Practice business ethics with integrity	Enhance careers and commitment	Instigate entrepreneurial drive	Application of multidisciplinary knowledge comprising of finance, operations, system, marketing and human resources management to integrate business projects PSO - 1	Usage of business metrics to evaluate business projects to develop growth strategies PSO - 2	Authorize the students to innovate and execute the business idea during the challenging business situation PSO – 3
CLR-1 :	Explain the basic types of derivatives, their pay off functions and the economic roles they play in managing risks															
CLR-2 :	Describe the distinctive features of the existing financial derivatives															
CLR-3 :	Compare the pay–offs of the derivatives and optimize investment decisions in derivatives															
CLR-4 :	Demonstrate a sound knowledge of the structure and operations of derivative markets.															
CLR-5 :	**Decision Making based on the Derivatives Parameters**															
CLR 6:	**Usage of Derivatives as Hedging tools in the Market**															
Course Learning Outcomes (CLO):	*At the end of this course, learners will be able to:*															
CLO-1 :	To appreciate the basic concepts of Derivatives	2	60	50	*H*	*M*	*H*	*M*	*L*	*M*	*M*	*M*	*L*	*M*	*H*	*L*
CLO-2 :	To analyze the strategies involved in futures market	2	80	70	*L*	*H*	*L*	*L*	*M*	*M*	*M*	*L*	*L*	*M*	*H*	*H*
CLO-3 :	**TO Assess the choice of Options used in the Stock Marke**	1	80	75	*M*	*H*	*L*	*L*	*M*	*M*	*L*	*L*	*L*	*M*	*H*	*M*
CLO-4 :	To select the swaps based on the global trends	2	80	70	*M*	*H*	*M*	*L*	*M*	*M*	*L*	*L*	*L*	*M*	*H*	*H*
CLO-5 :	To run simulation based on the historical data	3	90	80	*M*	*H*	*H*	*L*	*M*	*M*	*L*	*L*	*L*	*M*	*H*	*L*
Overall	To create and manage strategies relating to derivatives	3	90	80	H	L	H	M	H	M	H	M	L	H	M	H

Duration (hour)		6	6	6	6	6
S-1	SLO-1	Introduction to derivatives	*Forward*	Options Basics	Swaps Basics	Risk Management
	SLO-2	Advantages of Derivatives	Characteristics of Forward contract	*Types of Options*	Equity Swap	Exotic Derivatives
S-2	SLO-1	Types	*Futures*	*American Options*	Currency Swap	Weather Derivatives
	SLO-2	Importance of Derivatives	Characteristics of Future contract	European Options	Interest rate Swap	Credit Derivatives
S-3	SLO-1	Necessity for derivatives	Pricing of forward contract	Option pricing models	Types	Real Derivatives
	SLO-2	Challenges	Challenges	Binomial Model	Structure	Financial Engineering
S-4	SLO-1	Valuation basics	Pricing of Future Contract	Black and Scholes	Pricing	Stages

	SLO-2	Discounting	Challenges	Volatility	Indian Financial Market	Scenario Analysis
S-5	SLO-1	Compounding		Delta	Global Financial Market	Simulation
	SLO-2		*Option Pricing Strategy*	Gama	*Challenges*	Global trends
S-6	SLO-1	*Time value of money*	Commodity Derivatives	Theta	Hedging	International Exchanges
	SLO-2	Continuous compounding	Currency Futures	Vega	Significance of swap	Risks involved in Derivatives
S7	SLO-1	Factors affecting derivatives	Interest Rate Futures	Rho	Advantages of Swaps	Strategies of Derivatives Trading
S7	SLO-2	Global factors	Index Futures & Valuation	Estimation and Valuation	Valuation	Applications of Derivatives concept
S8	SLO-1	Case Study – 1	Case Study – 3	Case Study – 5	Case Study – 7	Case Study – 9
S8	SLO-2					
S9	SLO-1	Case Study – 2	Case Study – 4	Case Study – 6	Case Study – 8	Case Study – 10
S9	SLO-2					

Learning Resources	1. Hull, John C, Options, Options, futures and other derivatives, Prentice Hall of India,10th edition, 2016 2. Ranganatham and Madhumathi, Derivatives and Risk Management, Pearson, 2017	3. Kevin, S, Commodity and Financial Derivatives, PHI, 2016. 4. Rajiv Srivastav, Derivatives and Risk Management, Oxford University Press, 2015

		Learning Assessment											
	Bloom's Level of Thinking	Continuous Learning Assessment (50% weightage)										Final Examination (50% weightage)	
		CLA -1 (5marks)		CLA -2 (5marks)		CLA-3 (10marks)		CLA -4 (15marks)		CLA -5(15marks)		Marks -100 which will be weighted at 50%	
		Theory	Practice	Theory	Practice	Theory	Practice	Theory	Practice	Theory	Practice	Theory	Practice
Level 1	Remember Understand	20	10	25	5	20	10	30	0	25	5	30	0
Level 2	Apply Analyze	30	10	35	5	30	10	40	0	35	5	40	0
Level 3	Evaluate Create	20	10	25	5	20	10	30	0	25	5	30	0
	Total	100 %		100 %		100 %		100 %		100%		100 %	

CLA – 4 can be from any combination of these: Assignments, Seminars, Tech Talks, Mini-Projects, Case-Studies, Self-Study, MOOCs, Certifications, Conf. Paper etc.,

Course Designers		
Experts from Industry	Experts from Higher Technical Institutions	Internal Experts
		Dr.K.Sankara Moorthy