FIN 5800 – Derivatives:
Basic Derivatives Strategies and Pricing

00 – Organizational Preliminaries

UNIVERSITY OF MANNHEIM
Business School

Prof. Dr. Stefan Ruenzi
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Course Outline

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0. Organizational Issues

1. Introduction
2. Trading Strategies
3. Forwards
4. Futures
5. Swaps
6. Options
7. Impact of Derivatives on Markets & the Macroeconomy

0. Organizational Issues

- When and where is this course?
- Where do I get information and what textbook will we use?
- What should I know and what do I have to do?
- What can I expect from the professor?
- What is ‘Derivatives’ (not) about?

Introduction – Prof. Dr. Stefan Ruenzi

- Professor and Chair of International Finance, University of Mannheim
- Education & Previous Positions
  - Assistant Professor, University of Texas at Austin (Visiting)
  - Dr. and Habilitation in Finance, U o Cologne
  - Diploma in Economics, U o Konstanz
- Research Interests:
  - Asset Management; Empirical Asset Pricing; Risk Management; Financial Advice
  - Advertising & Capital Markets; US Opioid Crises; ML & Textual Analysis.
- Publications
  - Journal of Financial Economics, Review of Financial Studies, Journal of Finance, …
- Impact
  - press coverage in WSJ, New York Times, FAZ, Süddeutsche, NZZ, Les Monde…

When and where is this course?

- Lectures: see slide 5
- Exercise Classes: see slide 6
- Final Exam: end of October/start of November (exact date tba)
- Responsible TAs: Alexandros Pierides

Lecture dates

Lecture	Date/Time	Room
1	08.09.2026, 10:15 – 11:45	O 148
2	08.09.2026, 12:00 – 13:30	O 148
3	11.09.2026, 13:45 – 15:15	O 148
4	15.09.2026, 12:00 – 13:30	O 148
5	15.09.2026, 12:00 – 13:30	O 148
6	22.09.2026, 12:00 – 13:30	O 148
7	22.09.2026, 12:00 – 13:30	O 148
8	29.09.2026, 12:00 – 13:30	O 148
9	29.09.2026, 12:00 – 13:30	O 148
10	06.10.2026, 12:00 – 13:30	O 148
11	06.10.2026, 12:00 – 13:30	O 148
12	13.10.2026, 12:00 – 13:30	O 148
13	13.10.2026, 12:00 – 13:30	O 148
14	20.10.2026, 12:00 – 13:30	O 148
15	tba if necessary	tba if necessary

Tutorial dates

Tutorial	Date/Time	Room
1	11.09.2026, 15:30 – 17:00	O 148
2	18.09.2026, 13:45 – 15:15	O 148
3	25.09.2026, 13:45 – 15:15	O 148
4	02.10.2026, 13:45 – 15:15	O 148
5	09.10.2026, 13:45 – 15:15	O 148
6	16.10.2026, 13:45 – 15:15	O 148
7	23.10.2026, 13:45 – 15:15	O 148

- After each tutorial, there is a Q&A session in O 148, where you can ask questions
- The specific scheduling of lectures, tutorials and Q&As can slightly change. Any changes will be announced in the lectures and on Ilias

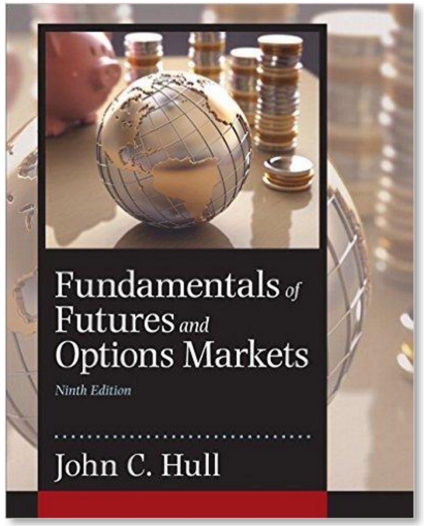
Where do I get information about the course?

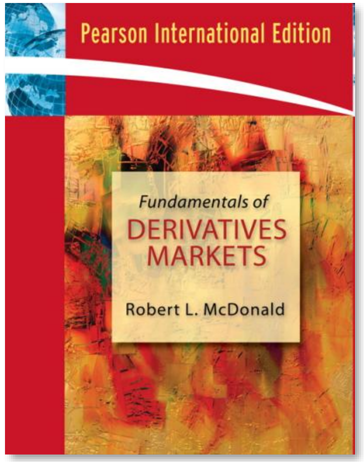
- In Lectures & Exercise Classes
- Website: https://www.bwl.uni-mannheim.de/ruenzi/
- Slides will be provided for downloading on Illias system – Please register!
- Announcements send to class via Illias; forum on Illias can be used for communication
- Textbooks and additional readings as announced

Textbooks & Readings I

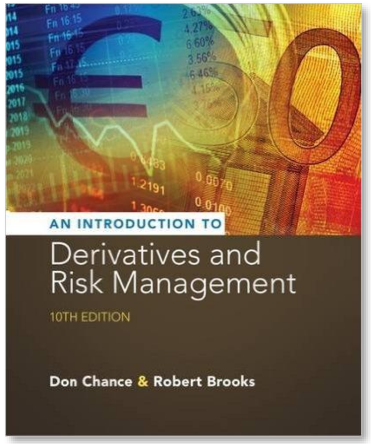
Introductory Books

Hull, J. (2016):
Fundamentals of Futures and Options Markets (9th Edition)





McDonald, R. M. (2008):
Fundamentals of Derivatives Markets (International edition)

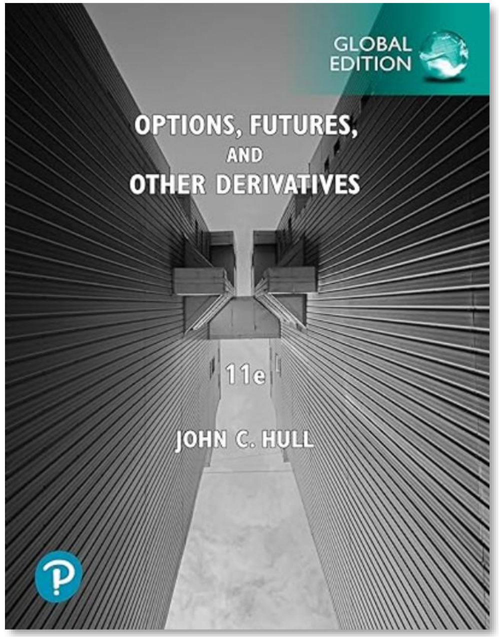


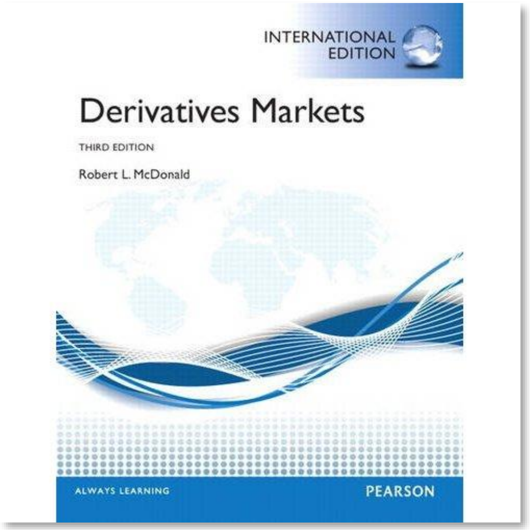
Chance, D. M. & Brooks, R. M. (2015):
Introduction to Derivatives and Risk Management (10th edition)

Textbooks & Readings II

Main Suggested Textbooks

Hull, J. (2021): Options, Futures, and *Other Derivatives (11th Edition). OFD.*

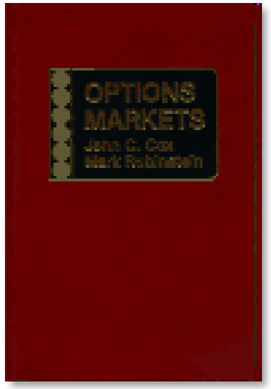




McDonald, R. L. (2012): *Derivatives Markets. DM (3rd edition)*

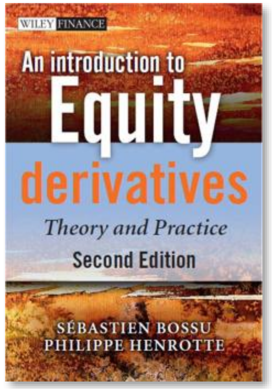
Textbooks & Readings III

Alternative Textbooks



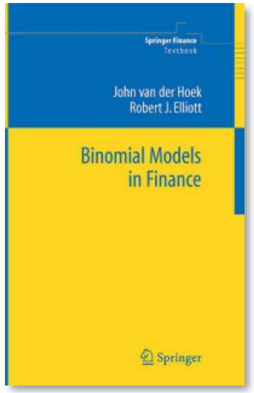
Cox, J.; Rubinstein, M. (1985)

Options Markets.



Bossu, S.; Henrotte, P. (2012)

An Introduction to Equity Derivatives (2nd edition).



Elliott, R.J., van der Hoek, J. (2009)

Binomial Models in Finance.

Baxter, M; Rennie, A. (1996)
Financial Calculus: An Introduction to Derivative Pricing

Neftci, S.N. (2014)
An Introduction to the Mathematics of Financial Derivatives (3rd ed.).

What should I know and what do I have to do?

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You should be familiar with …

- Basic math and statistics (expected values, variances & covariances, statistical distributions)
- Basic knowledge from B.Sc. Finance core course(s)

You should …

- Attend lectures
- Check the website for announcements
- Register on Ilias and look out for messages
- Go through slides *before* the respective lectures
- Prepare solutions to assigned problems *before* exercise classes

What is this course NOT (mainly) about?

- Corporate risk management
- Real options
- Advanced pricing techniques using concepts from continuous time finance or calibration exercises

Why should I take this course?

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- Fascinating area of finance (Nobel Prizes)
- Crucial to know how these important (and dangerous) instruments work
- Models we analyze are extremely flexible and used in practice
  (e.g. Binomial Model, BLACK/SCHOLES)
- Excellent job market prospects

Assignments

- Register on Ilias for Derivatives
- Make up your mind on the question: “Why did I take this course”

“When a person with money meets a person with experience, the person with the experience winds up with the money and the person with the money winds up with the experience.“