

The University of Iowa
College of Liberal Arts and Sciences
Department of Statistics and Actuarial Science

22S:183 Mathematics of Finance II
2:30 - 3:20PM MTWThF 31 SH Fall Semester 2009

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Office Hours: 1:30 - 2:30 PM, Tuesday, Wednesday & Friday, or by appointment

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Prerequisites: Grade of C or better in 22S:175

This is an off-cycle course. The drop date is October 8.

This course is intended for students who master the material in the professional examination “Actuarial Models: Financial Economics (MFE/3F)” given by the Casualty Actuarial Society and the Society of Actuaries.

The textbook is R.L. McDonald (2006) *Derivatives Markets*, 2nd edition, Pearson. You will find it useful to bring it to every class. A supplementary textbook is H.H. Panjer (editor) (1998) *Financial Economics: With Applications to Investments, Insurance, and Pensions*, The Actuarial Foundation. Copies of *Student Solutions Manual to Derivatives Markets* are available in the bookstore.

The course will cover Chapters 9 to 14, 18, 20, 24, and parts of Chapters 19, 21, 22, and 23 of *Derivative Markets*.

There will be three (3) exams: September 19 (9:30 – 12 Noon, 112 MH), October 17 (9:30 – 12 Noon, 112 MH), and November 1 (1:30 – 4 PM, 112 MH). **You are to use an official CAS/SOA calculator.**

Tentatively, the final grade (H.W. 10 % + Exams 30% + 30% + 30%) will be assigned as follows:

Undergrads F[0, 40); D–[40, 45); D[45, 50); D+[50, 55); C–[55, 60); C[60, 65);
C+[65, 70); B–[70, 75); B[75, 80); B+[80, 85); A–[85, 90); A[90, 95); A+[95, 100]

Graduate students F[0, 46); D–[46, 50.5); D[50.5, 55); D+[55, 59.5); C–[59.5, 64); C[64, 68.5);
C+[68.5, 73); B–[73, 77.5); B[77.5, 82); B+[82, 86.5); A–[86.5, 91); A[91, 95.5); A+[95.5, 100]

Note: Exam MFE/3F will be given on Monday, November 2, 8:30 AM – 11:00 AM.

The College of Liberal Arts and Sciences

Policies and Procedures

Administrative Home

The College of Liberal Arts and Sciences is the administrative home of this course and governs matters such as the add/drop deadlines, the second-grade-only option, and other related issues. Different colleges may have different policies. Questions may be addressed to 120 Schaeffer Hall or see the CLAS [Academic Handbook](#).
www.clas.uiowa.edu/students/academic_handbook/index.shtml

Electronic Communication

University policy specifies that students are responsible for all official correspondences sent to their standard University of Iowa e-mail address (@uiowa.edu). Students should check their account frequently. (Operations Manual, III.II.15.2. k.11.)

Academic Fraud

Plagiarism and any other activities when students present work that is not their own are academic fraud and are considered by the College to be a very serious matter. Academic fraud is reported by the instructor to the departmental DEO who enforces the departmental consequences. The Associate Dean for Undergraduate Programs and Curriculum is also informed. The Associate Dean enforces collegiate consequences which may include suspension or expulsion. See the [CLAS Academic Handbook](#).

Making a Suggestion or a Complaint

Students with a suggestion or complaint should first visit the instructor, then the course supervisor and the departmental DEO. Complaints must be made within six months of the incident. See the [CLAS Academic Handbook](#).

Accommodations for Disabilities

A student seeking academic accommodations should register with Student Disability Services and meet privately with the course instructor to make particular arrangements. For more information, see www.uiowa.edu/~sds/

Understanding Sexual Harassment

Sexual harassment subverts the mission of the University and threatens the well-being of students, faculty, and staff. All members of the UI community have a responsibility to uphold this mission and to contribute to a safe environment that enhances learning. Incidents of sexual harassment should be reported immediately. See the UI [Comprehensive Guide on Sexual Harassment](http://www.uiowa.edu/~eod/policies/sexual-harassment-guide/index.html) at www.uiowa.edu/~eod/policies/sexual-harassment-guide/index.html for assistance, definitions, and the full University policy.

Reacting Safely to Severe Weather

In severe weather, the class members should seek shelter in the innermost part of the building, if possible at the lowest level, staying clear of windows and free-standing expanses. The class will continue if possible when the event is over. (Operations Manual, IV. 16.14. Scroll down to sections e and i for severe weather information.)

Missed Exam Policy

University policy requires that students be permitted to make up examinations missed because of illness, mandatory religious obligations, certain University activities, or unavoidable circumstances. Excused absence forms are required and are available on the Registrar web site. www.registrar.uiowa.edu/forms/absence.pdf