1. **KentVision code and title of the module:**

BUSN6014: Futures and Options Markets

1. **Division which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 6

1. **The number of credits and the ECTS value which the module represents**

15 credit (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn

1. **Prerequisite and co-requisite modules**

ACCT5230 – Principles of Finance, Co-requisite: None

1. **The courses of study to which the module contributes**

BSc Accounting and Finance, Single and Joint Honours

1. **The intended subject specific learning outcomes.  
   On successfully completing the module students will be able to:**

8.1 Demonstrate in depth knowledge and understanding of various financial derivative instruments and risk management techniques in the context of International Investment Banking.

8.2 Demonstrate knowledge and understanding of complex concepts and principles under which financial derivative instruments are traded.

8.3 Use subject knowledge to critically analyse the problem and provide a reasoned response to that problem in the context of risk management.

8.4 Compare and contrast complex risk management strategies and prepare appropriate payoff diagrams to reflect various trading strategies.

1. **The intended generic learning outcomes.  
   On successfully completing the module students will be able to:**

9.1 Apply numeracy skills to solve complex numerical problems.

9.2 Develop and define complex argument and provide critical insights on the use of financial instruments and risk management.

9.3 Read and critically summarise transactions and economic events related to financial management and derivative securities.

9.4 Use information technology to acquire, systematically analyse, and communicate effectively.

1. **A synopsis of the curriculum**

This module is concerned with International Investment Banks’ products and strategies that involve the description and analyses of the characteristics of more commonly used financial derivative instruments such as forward and future contracts, swaps, and options involving commodities, interest, and equities markets. Modern financial techniques are used to value financial derivatives. The main emphasis of the module is on how International Investment Banks value, replicate, and arbitrage the financial instruments and how they encourage their clients to use derivative products to implement risk management strategies in the context of corporate applications.

In particular, students will first cover the topics related to forward, futures. They will then be introduced to options and various strategies thereof. Valuing options using Black-Scholes model and binomial trees is also an important part of the module. The important finance concepts of no-arbitrage and risk-neutral valuation and their implications for pricing financial derivatives are also covered in the module. This will help students to learn the techniques used in valuing financial derivatives and hedging risk exposure.

1. **Reading list**

The University is committed to ensuring that core reading materials are in accessible electronic format in line with the Kent Inclusive Practices.

The most up to date reading list for each module can be found on the university's [reading list pages](https://kent.rl.talis.com/index.html).

1. **Contact hours**

Private study hours: 116

Total contact hours: 34

Total study hours: 150

1. **Assessment methods**
   1. Main assessment methods

VLE test 1 (15%)

VLE test 2 (15%)

Examination – 2 hour closed book (70%)

13.2 Reassessment methods

100% Exam

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

**Module learning outcomes against learning and teaching methods:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 |
| **Private Study** |  |  |  |  |  |  |  |  |  |  |
| Lectures | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| Seminars | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| Independent Study | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |

**Module learning outcomes against assessment methods:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 |
| VLE Test 1 | **x** | **x** | **x** | **x** | **x** | **x** |  | **x** | **x** | **x** |
| VLE Test 2 | **x** | **x** | **x** | **x** | **x** | **x** |  | **x** | **x** | **x** |
| Exam | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |

1. **Inclusive module design**

The Division recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Canterbury

1. **Internationalisation**

The module covers a wide range of topics providing an overview of the world’s financial markets with an emphasis on quantitative aspects of options, futures, and other derivatives. The syllabus has been developed for use within an international educational setting for students who will apply financial theories in a wide range of international contexts.

**DIVISIONAL USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
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