

UNIVERSITY OF TORONTO
DEPARTMENT OF STATISTICAL SCIENCES

ACT245 H1 S – Financial Principles I

Course Outline – Winter 2015

Instructor: Heng Wang, FSA, MSc

Lectures: Tuesday, 1-3pm

Lecture Location: LM 159

Tutorials: Thursday, 2-3pm

Tutorial Location: AB 114, ES B149, LM 159, SS 2127

Office: SS 6025

Office Hour: Tuesday 3-4pm

Email: heng.wang@utoronto.ca

Prerequisites:

ACT240H1, MAT137Y1 (minimum grade 65%)/ MAT157Y1(minimum grade 50%)

Marking Scheme:

Term Test 1: 25%, Feb 26 Tuesday, 2-3pm, Location TBD

Term Test 2: 25%, Mar 19 Tuesday, 2-3pm, Location TBD

Final Exam: 50%, Time and Location TBD

Missed Test:

If a student misses a test due to illness, the student must notify the instructor by the next lecture and submit a medical certificate issued by an Ontario-registered MD indicating type of illness and date of illness. The weight of the missed test will be shifted to the final exam.

If a student misses Term Test1, it is the student's own responsibility to decide whether to drop the course before March 8, which is the last date to drop the course without academic penalty.

Textbooks and References:

Study Guide for SOA Exam FM/ CAS Exam2, by Professor Sam Broverman, Required

Mathematics of Investment and Credit, by Professor Sam Broverman, Recommended

Options, Futures, and Other Derivatives by Professor John Hull, Recommended

Course Schedule:

Lecture 1 – Jan 6:

- Duration

Lecture 2 – Jan 13:

- **Jan 18 is the last day to add a course**
- Immunization

Lecture 3 – Jan 20:

- Forward contract and Future contract

Lecture 4 - Jan 27:

- Forward contract and Future contract - continued

Lecture 5 – Feb 3:

- Introduction to Options

Lecture 6 – Feb 10:

- Options- continued

Lecture 7 – Feb 24:

- **Term Test 1 on Feb 26, 2-3PM**
- Option strategies

Lecture 8 – Mar 3:

- Term Test 1 result will be handed out
- **Mar 8 is the last day to drop an S course without academic penalty!!!**
- Option strategies – continued

Lecture 9 – Mar 10:

- Option strategies – continued

Lecture 10 – Mar 17:

- **Term Test 2 on Mar 19, 2-3PM**
- Introduction to Swaps

Lecture 11- Mar 24:

- Term Test 2 result will be handed out
- Swaps - continued

Lecture 12- Mar 31:

- Last week of tutorial and lecture
- Review key concepts or practice questions

Final Exam – TBD