ORF 535 - FIN 535
Financial Risk Management
Professor: Patrick Cheridito

Description/Objectives:
This course is about modeling, measuring and managing financial risks for individuals and financial organizations. It introduces methods and discusses instruments that are used to this effect. Topics covered include mean-variance portfolio analysis, bond portfolio immunization, option pricing, hedging, Greek letters, risk measures, utility functions.

Schedule/Classroom Assignment:
Lecture L01: 1:30 pm - 2:50 pm M W **Location:** E-225

Main Reference: Luenberger, D.G. (1998). *Investment Science.* Oxford University Press.

Additional Literature:
• Föllmer, H., Schied, A. (2004). *Stochastic Finance. Second Edition.* De Gruyter Studies in Mathematics 27.
• Hull, J.C. (2003). *Options, Futures, and Other Derivatives.* Prentice Hall.
• McNeil, A.J., Frey, R., Embrechts, P. (2005). *Quantitative Risk Management. Concepts, Techniques and Tools.* Princeton Series in Finance. Princeton University Press, Princeton, NJ.

Requirements/Grading:
Problem Sets: 40%
Midterm Exam: 20%
Final Exam: 40%