Mathematical Finance, Fall 2003, Week 51

Curriculum
Bjørk. (But knowledge of Chapters 13,14 and 20 is not required. Likewise for Section 4.6.)
Øksendal Section 8F. (The hand-out; Girsanov’s theorem is required at operational level.)

Exam Info

- There will be a “questions session” (spørgetime) 10-12 on Monday January 5 in room A106.

- I’ll make the exam-questions public (on the homepage) at 9 am (9:00) on Tuesday January 6, 2004. You can also show up in person at my office (E-411; that’s on the 4th floor in the E-building at the HCO Institute) and get them.

- Answers must be handed in no more than 27 hours later, that is, no later than 12 noon (12:00) on Wednesday January 7, 2004. Please hand in two copies. (Photo copies fine of course.)

- “Handed in” means i) given directly in hard-copy to me (hand-written answers are of course fine) or, ii) given to the secretary Mette in room 301 (3rd floor in the E-building) or, iii) delivered electronically to me in some recognized & printable file format. I don’t mind electronic versions, and will of course confirm successful reception. However, I am not in any way responsible for computer failures.

- Remember to put your name and/or exam-number on your answers. My lists contain both pieces of information, so one is sufficient and you’re not anonymous. (Last year somebody forgot; rumor has it there’s still an un-accounted for “10”-grade floating around.)

- Answers will be graded on the 13-scale and the results (identified by exam-numbers) posted on the homepage. This should happen within 3 weeks of the exam.
• This exam is exactly as individual as a standard 4-hour written one. Any group-work is cheating, and will be dealt with with great vengeance. If you have questions: Ask me; but do check the homepage first. (Obviously, there are many questions I will not answer.)

• Given a proper reference, you’re allowed to use any result that you can find in the book, the notes, or the exercises without further ado. In fact, you’re encouraged to.

• The questions and their weights will be clearly marked. Two questions both being marked “10%”, does not make them equally difficult. Questions can be answered fairly independently, so if you get stuck, go on.

Past lectures
Monday December 15: LIBOR market models; options on coupon bonds; swaptions
If you weren’t there, you’ve missed it.

Wednesday December 17: Summary
See slides on homepage.

Coming lectures
None.

Coming exercises
None. Judging by your Course Evaluations, Farhang should be very well-prepared for the exam by now.

Thanks for listening and good luck (should you need it) in January,

Rolf