Semester:04	Course No.: 402	Course Code: FIM209-2C
Credits:04	Course Title: Derivatives & Alternative Investments - 2	Course Category: Major

Course Outcomes:

CO#	COGNITIVE ABILITIES	COURSE OUTCOMES
CO1	**Remember**	Recall key derivative instruments, alternative investment vehicles, and fundamental concepts such as arbitrage, payoff, and valuation models.
CO2	**Understanding**	Understand pricing and valuation models for derivatives and various alternative assets including commodities, real estate, and hedge funds.
CO3	**Applying**	Apply valuation techniques such as Black-Scholes, Binomial, and NAV calculations using Excel.
CO4	**Analyzing**	Analyze risks and return components of derivative contracts and alternative investments under different market conditions.
CO5	**Evaluating**	Evaluate suitability and portfolio roles of derivative instruments and alternative investments, including hedge fund strategies and REITs.

Course Syllabus

Unit No.	Unit Contents	Sessions Allotted
1	**Introduction to Derivatives** • Types of Derivatives: Forwards, Futures, Options, Swaps • Payoffs and Uses in Risk Management • Market Participants and Uses	**15**
2	**Valuation of Forward Commitments** • Pricing and Valuation of Equity, Fixed Income, and Currency Forwards • Interest Rate Futures and Swaps • Carry Arbitrage Models	**15**
3	**Valuation of Contingent Claims** • Binomial Option Pricing Model • Black-Scholes-Merton Model • Option Greeks and Delta Hedging • Volatility and Arbitrage	**15**

4	**Introduction to Alternative Investments** • Real Assets vs. Financial Assets • Participants and Characteristics of Alternative Investments • Risk and Return Profiles	**15**

Suggested Textbooks:

1. Faculty Notes

Suggested Reference Books:

1. Options, Futures, and Other Derivatives by John C. Hull
2. **Alternative Investments: Instruments, Performance, Benchmarks, and Strategies** – H. Kent Baker, Greg Filbeck