SARDAR PATEL UNIVERSITY
Programme & Subject: B.Sc (Mathematics)
Semester: III
Syllabus with Effect from: June-2012

Paper Code: US03EMTH03	**Total Credit: 2**
Title Of Paper: Financial Mathematics - I	

Unit	Description in detail	Weighting (%)
I	Simple interest; Compound interest; Doubling rule; Continuously compound interest.	
II	Present Value Analysis: Present value of pay off; Examples; Rate of return for discrete as well as continuously varying interest rates.	
III	Options Pricing ; Examples ; Arbitrage and its meaning ; Law of one price	
IV	Examples of Pricing via Arbitrage; Forward and future contracts Law of one price.	

Basic Text & Reference Books:-

- Sheldon M. Ross, an Elementary Introduction to Mathematical Finance (Second Edition).
- John C. Hull, Options, Futures and other derivatives (Seventh Edition).