The book was found

# Options, Futures, And Other Derivatives





## Synopsis

Bridge the gap between theory and practice. Designed to bridge the gap between theory and practice, this introductory text on the futures and options markets is ideal for those with a limited background in mathematics. The eighth edition has been updated and improvedâ "featuring a new chapter on securitization and the credit crisis, and increased discussion on the way commodity prices are modeled and commodity derivatives valued. 0132777428 / 9780132777421 Options, Futures, and Other Derivatives and DerivaGem CD Package Package consists of:Â Â Â 0132164949 / 9780132164948 Options, Futures, and Other Derivatives 0132165112 / 9780132165112 DerivaGem CD for Options, Futures, and Other Derivatives Â

## **Book Information**

Hardcover: 864 pages Publisher: Pearson College Div; 8 edition (2011) Language: English ISBN-10: 0132164949 ISBN-13: 978-0132164948 Product Dimensions: 8 x 1.4 x 10 inches Shipping Weight: 3.6 pounds Average Customer Review: 4.2 out of 5 stars Â See all reviews (132 customer reviews) Best Sellers Rank: #641,563 in Books (See Top 100 in Books) #144 in Books > Business & Money > Investing > Futures #244 in Books > Business & Money > Investing > Options

#### **Customer Reviews**

The author has written a nice, lively elementary text on mathematical finance. This book can serve as a excellent launching point into the topic. For the next step in the reader's development, I recommend the very good intermediate level treatment by Bjork in Arbitrage Theory in Continuous Time. As a capstone for advanced study, I recommend the advanced treatment of Musiela and Rutkowski's Martingale Methods in Financial Modelling.Hull starts out with several chapters on the basics of the derivative contracts in his study. The contracts introduced are forward and futures contracts, interest rate swaps, and equity options. The basic definitions of each contingency contract is given, as well as characteristics of the markets where these contracts trade. Some basic trading strategies are also studied.The study of the option pricing model problem begins in earnest in Chapter 10. The section on one-step binomial tree model leads to a very intuitive description of risk-neutral valuation.Chapter 11 introduces continuous time stochastic processes in a very intuitive

setting. To avoid the hard-core Ito calculus, the author motivates the stochastic differential by considering difference equations. This is a nice technique and makes the material accessible to the beginner. The next highlight is a statement of Ito's lemma. This is not given in full generality, but only stated precisely as needed for Black-Scholes calculations.

This review is written for many of those switching to quantitative finance from other fields. Hull's book will become an essential foundation-builder for such people.Let's assume you want to become a quantitative analyst or a risk manager switching from another, preferably quantitative, field. Then in order to get a job you need to have the following:1. Knowledge of derivatives and markets;2. Knowledge of statistical methods and data analysis with applications in finance; 3. Computational methods supported by software such as C++ and R to be able to apply theoretical knowledge obtained in 1 and 2;4. Proof that you have decent understanding of finance through obtaining a designation such as PRM (Since, under our assumption, you enter finance from a different field, you don't have work experience. That is why PRM will be the most suitable for you as you will just need to be well prepared academically to pass the exams and get the designation). The book under review will be absolutely essential for you for clearing steps 1 and 4. It has been written with the care for the reader in mind.Hull, in contrast to many other authors, does not try to show off his intellectual superiority by using complicated and abstract language which would normally be designed to make the reader feel miserable. In contrast, he wants the reader to become knowledgeable by carefully guiding him through complicated topics with numerous examples and explanations. The friendliness of exposition does not mean that the rigor is lost though; the book is written with the perfect rigor, but it is achieved without making it too dry and abstract. The scope of coverage is amazing: all major aspects of derivatives and markets connected with them have been covered.

This is the definitive introduction to derivatives. As evidence of its relevance, the following chapters are assigned to Financial Risk Manager (FRM) candidates: Hedging Strategies using Futures (Chapter 3), Determination of Forward and Futures Prices (5), Interest Rate Futures (6), Swaps (7), Properties of Stock Options (9), Trading Strategies Involving Options (10), Binomial Trees (11), Black-Scholes-Merton Model (13), Greeks (15), Volatility Smiles (16), Exotic Options (22).Given that this is an expensive text, the most frequent question I get is, do I need to buy the latest edition? Perhaps you do not: the updates from fifth to sixth edition, and from sixth to seventh edition, have both been modest "version" upgrades. Here is a rule-of-thumb: the more introductory the topic (i.e.,

the earlier the chapter), the less likely you want/need the upgrade. The early chapters on futures, hedging, interest rate futures, swaps, and option pricing have barely changed since the fifth edition. Further, from what i can tell, the end-of-chapter questions are largely the same/similar. In regard to the seventh, in addition to a number of refinements (e.g., some reorganization), the two noticeable differences are: a new chapter on valuation of employee stock option (a particular expertise of Hull's) and more material on certain credit derivatives (CDOs, credit default swap) including a bit more help on Gaussian copula. However, in regard to credit derivatives, in total, Hull gives a quick tour which may be challenging to the new learner. It is maybe not the best place to start for credit derivatives per se.But, this is the gold standard, a work of art, as far as finance texts go. It may be an introduction but it offers encyclopedic breadth.

#### Download to continue reading...

Options Trading: A CherryTree Style Trading Book(Options Trading, Options Trading for Beginners, options trading guide, options trading tips, binary options trading, trading options, option strategies) Option Greeks - Options Trading Greeks Simplified And How To Use Them To Profit 'By The Numbers' (Options Trading, Options Trading Strategies, Options Trading For Beginners, Stock Options, Options) Options Trading for Beginners: How to Get Started and Make Money with Stock Options (Options Trading, Stock Options, Options Trading Strategies) Options Trading: Strategies -Best Options Trading Strategies For High Profit & Reduced Risk (Options Trading, Options Trading) For Beginner's, Options Trading Strategies Book 2) Options: 3 Manuscripts Options, Options Strategies, Options Advanced (Day trading, Trading, Stocks, Options Trading) Options Trading: QuickStart Guide - The Simplified Beginner's Guide to Options Trading (Options Trading, Trading) Options, Options Trading for Beginners) Options Trading Successfully for Beginners: Making Money with Options in just a FEW HOURS! (Investing Basics, Investing, Stock Options, Options Trading) Strategies, Options Strategies, Book 1) Options Trading: Strategies - Best Options Trading Strategies For High Profit & Reduced Risk (Options Trading, Options Trading For Beginner's, Options Trading Strategies) (Volume 2) Options, Futures, and Other Derivatives and DerivaGem CD Package (8th Edition) Options, Futures, and Other Derivatives Options, Futures and Other Derivatives (6th Edition) Options, Futures, and Other Derivatives (4th Edition) Options, Futures, and Other Derivatives (9th Edition) Student Solutions Manual for Options, Futures, and Other Derivatives Trading VIX Derivatives: Trading and Hedging Strategies Using VIX Futures, Options, and Exchange Traded Notes (Wiley Trading) Derivatives Demystified: A Step-by-Step Guide to Forwards, Futures, Swaps and Options Derivatives Essentials: An Introduction to Forwards, Futures, Options and Swaps (Wiley Finance) Options Trading:: Simplified Options Trading Guide

For Generating Profits On An Ongoing Basis (Options Trading Strategies, Investing, Day Trading, Stock Options,) Binary Options: Crash Course!: Learn How to Make Money with Binary Options Trading & Binary Options Signals - Start Investing & Wealth Building Today! Binary Options: A Complete Guide On Binary Options Trading (stock market investing, passive income online, options trading)

<u>Dmca</u>