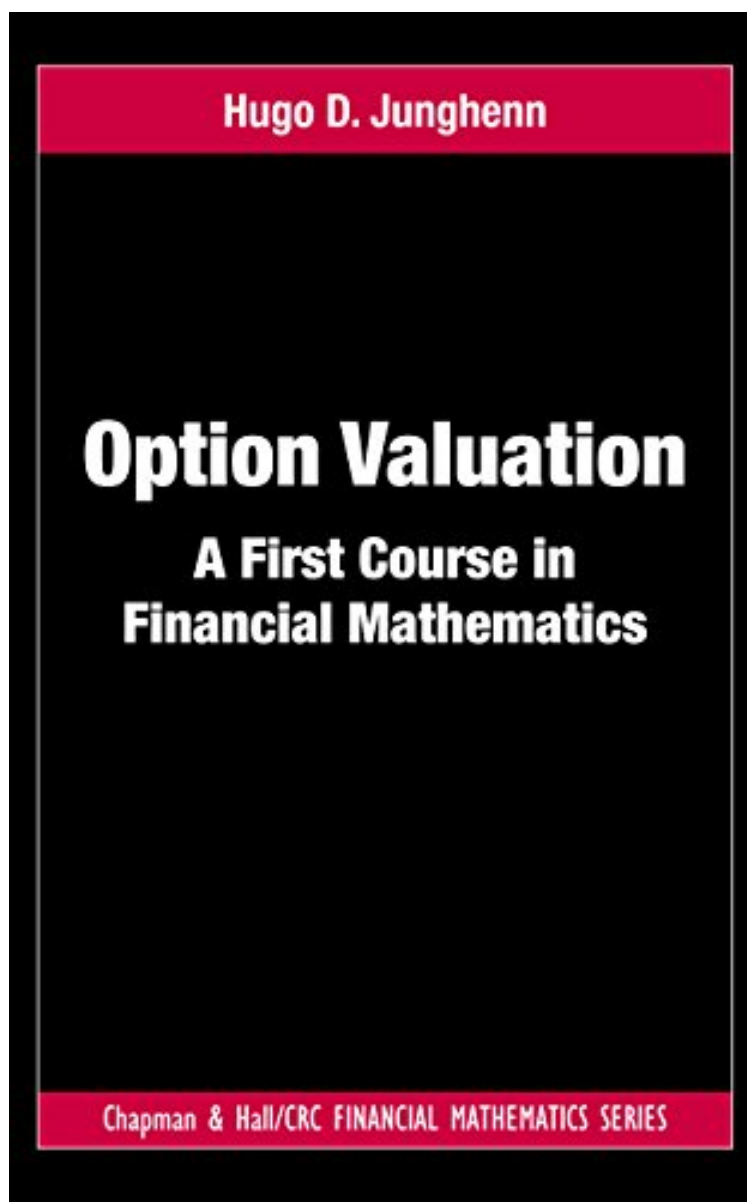


(Download pdf) Option Valuation: A First Course in Financial Mathematics (Chapman and Hall/CRC Financial Mathematics Series)

Option Valuation: A First Course in Financial Mathematics (Chapman and Hall/CRC Financial Mathematics Series)

Hugo D. Junghenn

*ePub | *DOC | audiobook | ebooks | Download PDF*



 Download

 Read Online

#1321348 in eBooks 2011-11-23 2011-11-23 File Name: B00702LOH4 | File size: 29.Mb

Hugo D. Junghenn : Option Valuation: A First Course in Financial Mathematics (Chapman and Hall/CRC Financial Mathematics Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Option Valuation: A First Course in Financial Mathematics (Chapman and Hall/CRC Financial Mathematics Series):

0 of 0 people found the following review helpful. Book does not match it's stated audience. By 2 cents worth. The book's "intended" audience could not possibly understand this book. At least one course in Real Analyse followed by a course in Measure Theory based Probability is needed to understand Probability Spaces (a fundamental concept for understanding probability). So, the authors claim that all one needs to follow the book is standard multivariable calculus is dishonest. 3 of 5 people found the following review helpful. Not for me. By Chiu-ying Wong. I bought this book because I wanted to learn about the mathematics behind quantitative finance. I have a CFA and an engineering degree (OK it was a while ago), so I know about some financial equations, but I wanted to learn more. I first bought the book Introduction to Quantitative Finance by Wilmott, but found that hard to follow, because it talked about things like Ito's Lemma, Martingale, Wiener Process and so on, and I have no idea what they are. So I thought this book could be an introduction to the introduction. It turns out, this book is more a book for scholars of pure mathematics to access the world of finance. It is not for non-pure maths people to learn the math basics necessary to understand quantitative finance. It goes through definition, corollary, propositions, theorem and proofs in pure math language. For example, when it introduced the idea of a self-financing portfolio, it did not bother to explain why, what is it, what is its purpose. To quote the paragraph introducing self financing portfolios, and replacing the funny letters with those I can type with a normal keyboard, it goes like this: "Suppose that the price of a security S is given by a stochastic process $S = (S_n)$ to N from $n=0$ on a probability space (Ω, \mathcal{F}, P) , where S_0 is constant. We may assume that $\mathcal{F} = \mathcal{F}_n$ from N to S , where \mathcal{F}_n from n to S is the natural filtration for S . Note that because S_0 is constant, \mathcal{F}_0 from 0 to S is the trivial sigma field $\{0, \Omega\}$...blah blah blah...." I wish it had spelt out its target audience in the outline of the book. In the Preface inside the book, it said: "This text is intended as an introduction to the mathematics and models used in the valuation of financial derivatives. It is designed for an audience with a background in standard multivariable calculus. Otherwise, the book is essentially self-contained." I learned multivariable calculus from an applied maths angle, and this book is like being written in an alien language. Not for me.

Option Valuation: A First Course in Financial Mathematics provides a straightforward introduction to the mathematics and models used in the valuation of financial derivatives. It examines the principles of option pricing in detail via standard binomial and stochastic calculus models. Developing the requisite mathematical background as needed, the text presents an introduction to probability theory and stochastic calculus suitable for undergraduate students in mathematics, economics, and finance. The first nine chapters of the book describe option valuation techniques in discrete time, focusing on the binomial model. The author shows how the binomial model offers a practical method for pricing options using relatively elementary mathematical tools. The binomial model also enables a clear, concrete exposition of fundamental principles of finance, such as arbitrage and hedging, without the distraction of complex mathematical constructs. The remaining chapters illustrate the theory in continuous time, with an emphasis on the more mathematically sophisticated Black-Scholes-Merton model. Largely self-contained, this classroom-tested text offers a sound introduction to applied probability through a mathematical finance perspective. Numerous examples and exercises help students gain expertise with financial calculus methods and increase their general mathematical sophistication. The exercises range from routine applications to spreadsheet projects to the pricing of a variety of complex financial instruments. Hints and solutions to odd-numbered problems are given in an appendix and a full solutions manual is available for qualifying instructors.

"hellip;a suitable text for an advanced undergraduate or graduate-level course in option valuation via the binomial model and the Blackndash;Scholesndash;Merton model."?International Statistical , 2013 "The text provides an introduction to classical material of mathematical finance, i.e. the notions of arbitrage, replication, and option pricing in the context of the discrete-time Cox-Ross-Rubinstein and the continuous-time Black-Scholes model, respectively. The book sticks out by not assuming any background in stochastics. All necessary concepts of probability theory, martingales, and Itocirc; calculus are provided hellip;"?Jan Kallsen, Zentralblatt MATH 1247About the AuthorHugo D. Junghenn is a professor of mathematics at the George Washington University. His research interests include functional analysis and semigroups.