UCLouvain

lecon2331

2018

Economics of Finance and Risk Management - UNamur

5 credits	30.0 h	Q2

Teacher(s)	Giot Pierre ;
Language :	English
Place of the course	Namur
Main themes	This course focuses on interest rates and credit risk modelling with a particular emphasis on yield curve theo-ries, Monte Carlo simulations and tree-based approaches. Regarding credit risk modelling we focus on ratings models, yield-spread models and credit scoring models.
Aims	1 Gain a sound understanding of interest rates modelling (including the modelling of interest rates under uncer-tainty) and credit risk models. - - - - *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Evaluation methods	Written exam (2H).
Teaching methods	Ex Cathedra No group work.
Content	The term structure of interest rates Modelling interest rates risk (trees, Monte Carlo simulations) One-factor and two-factor interest rates models Credit risk, including the KMV approach Introduction to options and futures
Bibliography	Santomero & Babbel: Financial markets, instruments and institutions (McGraw-Hill). Johnson: Bond evaluation, selection and management (Wiley).
Other infos	Objectifs : Advanced finance course focusing mainly on interest rate risk and credit risk. The course also deals extensively with simulation methods in finance (trees, Monte Carlo simulations).
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Economics: General	ECON2M	5		
Master [60] in Economics : General	ECON2M1	5		