Stats 3520b
Topics to be covered for the week of 24–28 March 2014

For this week, we aim to cover the following theories/concepts:

1. Characterisation of complete and incomplete markets

2. State prices, Arrow-Debreu securities

3. Connection between risk-neutral valuation and martingale measures

4. The fundamental theorem of asset pricing

5. Interest rate and currency swaps (if time permits)

6. Currency (FX) swaps (if time permits)