

**Interest Theory**  
**MA 495, Section 1, Winter 2013**  
**MWF 11:00 – 11:50 WS 2901**

**Professor:** Dr. Linda Lawton

**Office:** NSF 1107

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**Office Hours:** 12:00 – 1:00 & 3:00 – 3:30 MWF, or by appointment

**Text:** McDonald, R.I. Derivatives Markets (second edition)

Cherry, H. & Gorvett, R. ASM Study Manual Exam FM (eleventh edition)

**Course Description:** We will cover all of the topics on the most recent syllabus published for SOA Exam FM / CAS Exam 2.

**Learning Outcomes:**

- The student will use actuarial methods and notation to solve equations of values involving annuities, bonds, and amortization schedules.
- The student will use integration and differentiation techniques to calculate force of interest, convexity, and volatility.
- The student will compare and value derivative structures including, but not limited to, forwards, futures, swaps, short sales of stock, puts, calls, and collars.

**Prerequisite:** Calculus II or consent of Instructor

**Course Requirements:** Weekly homework assignments or quizzes (10%), three in-class exams (20% each), and a comprehensive final exam (30%)

**Grade scale:** 91 – 100% = A, 81 – 89% = B, 71 – 79% = C, 61 – 69% = D, < 60% = F

**Disability Services**

If you have a need for disability-related accommodations or services, please inform the Coordinator of Disability Services in the Dean of Students Office at 2001 C. B. Hedgcock Building (227-1700). Reasonable and effective accommodations and services will be provided to students if requests are made in a timely manner, with appropriate documentation, in accordance with federal, state, and University guidelines.

*This syllabus is subject to change with notice.*