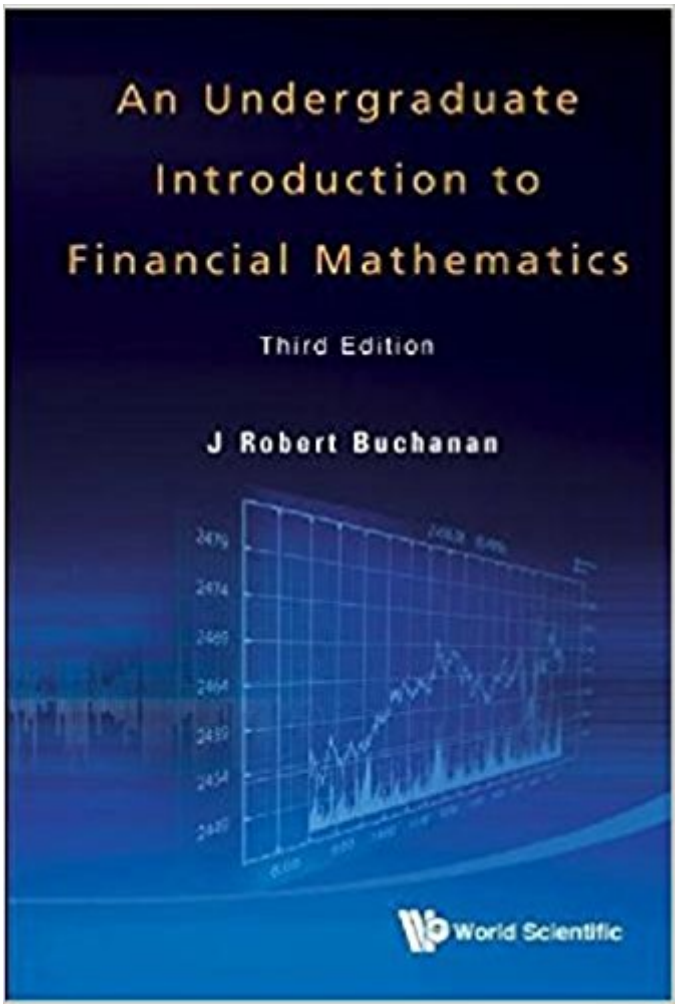
An Undergraduate Introduction To Financial Mathematics (Third Edition)



Synopsis

This textbook provides an introduction to financial mathematics and financial engineering for undergraduate students who have completed a three- or four-semester sequence of calculus courses. It introduces the theory of interest, discrete and continuous random variables and probability, stochastic processes, linear programming, the Fundamental Theorem of Finance, option pricing, hedging, and portfolio optimization. This third edition expands on the second by including a new chapter on the extensions of the Black-Scholes model of option pricing and a greater number of exercises at the end of each chapter. More background material and exercises added, with solutions provided to the other chapters, allowing the textbook to better stand alone as an introduction to financial mathematics. The reader progresses from a solid grounding in multivariable calculus through a derivation of the Black-Scholes equation, its solution, properties, and applications. The text attempts to be as self-contained as possible without relying on advanced mathematical and statistical topics. The material presented in this book will adequately prepare the reader for graduate-level study in mathematical finance.

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Customer Reviews

"This book provides an ideal introduction to basic topics in financial mathematics not only for undergraduates studying mathematical related subjects, but also graduates in finance. It strikes an excellent balance between exposition and mathematical technicality. The author has produced a first-rate textbook that will become a classic read." --John G O’Hara, University of Essex, UK"This text now covers adequately most material needed to be covered in an undergraduate course in

financial mathematics. The level of material is easy to follow, understand and work out which makes it suitable for classroom adoption. Overall, it is a good introduction to financial mathematics at the undergraduate level providing enough useful information which encourages one to think."
--Professor Man M Chawla, Fellow of Indian National Science Academy, and former Professor of Mathematics, Indian Institute of Technology, New Delhi

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