

# Course Syllabus

## AEDE 3113: Commodity Futures & Options

### Autumn 2018

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#### **Instructor:**

Bruce H. Braine

Ag Admin Bldg

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Office Hours: By appointment only

#### **Teaching Assistant**

Tyler Morin

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#### **Class Meeting:**

Mo/We 11:30-12:25

**Kottman Rm. 104**

#### **Course Objective:**

Upon completion of this course students will understand the operation of commodity futures and options markets. Students will understand the principles behind futures and options as tools for risk management and price discovery. Students will learn the mechanics of price discovery by participating in the Buckeye Futures Exchange, and trading real futures contracts on common prices. Students will also learn the fundamentals of applied commodity price analysis as used by industry, including a basic familiarity with both fundamental and technical price analysis.

#### **Prerequisites:**

AEDE 2001: Introduction to Food Agricultural, and Environmental Economics, or ECON 2000

#### **Course Materials:**

Futures and Options, The Institute for Financial Markets, ©2009

There will also be various other assigned readings on Carmen

## Attendance

AEDE 3113 is an advanced course, as such, attendance will not explicitly contribute to the final grade. This is not to imply that attendance goes unnoticed. Enrollees who rarely attend should not expect receptive responses to last-minute pleas for assistance. Low attendance is a signal that the student has already mastered the material at hand, and will be treated as such. For most students, regular attendance will be extremely important since we will spend significant class time on mastering futures and options problems as well trading on the BUFEX.

Examination attendance is an altogether different story. I fully expect students to attend examinations, and make-up examinations will only be allowed for reasons required by the University and then only with appropriate documentation. There will be no exceptions, so please don't ask.

## Communication

Email is the best way to reach me, and I will use it to reach you.

## Grading:

Assignment, examination and final grades will be according to

A	[93, 100]	C	[73, 77]
A-	[90, 93)	C-	[70, 72)
B+	[87,90)	D+	[67, 70)
B	[83, 87)	D	[60, 67)
B-	[80, 82)	F	(-∞, 60)
C+	[77, 80)		

I attempt to avoid 'curving' grades, though circumstances sometimes make it appropriate. Homework assignments will be in the form of on-line quizzes on Carmen with due date and time specified. Students must complete the homework before the due date and time to receive credit. at the beginning of class on the due date. Assignments will only be accepted within 24 hours of the due date. Assignments turned in late will be penalized 50%.

Assignment	% of Final Grade
Midterm Exam	20
Final Exam	30
Trading Game	20
Homework	30

## Academic Accommodations:

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities. I do ask that, as a courtesy, students notify me at the beginning of the quarter of any accommodations required. University documentation should be provided to me no later than the first examination.

## Academic Misconduct:

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct."

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me. The Code of Student Conduct is available at the Office of Student Affairs' web site - [http://studentaffairs.osu.edu/info\\_for\\_students/csc.asp](http://studentaffairs.osu.edu/info_for_students/csc.asp)

## Course Schedule:

	Date	Topic	Reading/Homework
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Week 1-2	Wed22Q18	Introduction to Futures Markets	Syllabus, IFM 1
	Mon27Q18	Futures Industry	IFM 2
	Wed29Q18	Accounting Margin & Leverage	IFM 3
Week 3-4	Mon3U18	NO CLASS (Labor Day)	
	Wed5U18	Trading Futures	IFM 4/ <b>HW #1 Due</b>
	Mon10U18	BUFEX Review/Futures Spreads	IFM 5/BUFEX Handouts
	Wed12U18	BUFEX WK1 Trading (TCU)	
Week 5-6	Mon17U18	BUFEX Week 1 Results Discussion/ Intro to Options	IFM 6 pp. 73-82
	Wed19U18	NO CLASS	
	Mon24U18	Options on Futures	IFM 6 pp. 73-82
	Wed26U18	Options/BUFEX Trading (PSU)	IFM 6 pp. 73-82
Week 7-8	Mon1V18	Hedging with Futures and Options	IFM 7/ <b>HW#2 Due</b>
	Wed3V18	Hedging / BUFEX Trading (IND)	IFM 7
	Mon8V18	Mid-Term Review	
	Wed 10V18	<b>Mid Term Exam in Class</b>	
Week 9-10	Mon15V18	Option Combinations	IFM 6 pp. 82-87
	Wed17V18	Option Combinations/BUFEX Trading (PUR)	IFM6 pp. 82-87
	Mon22V18	BUFEX Discussion/Final Results	
	Wed24V18	AG Futures and Options	IFM14/ <b>HW # 3 Due</b>
Week 11-12	Mon29V18	AG Futures and Options	IFM 14
	Wed31V18	Metal Futures and Options	IFM 13
	Mon 5X18	Energy Futures & Options: Oil	IFM 12
	Wed 7X18	Energy Futures& Options: Natural Gas	IFM 12

Week 13-16	Mon12X18 Wed14X18	<b>No Class Veterans Day</b> Energy Futures and Options: Natural Gas	IFM 12
	Mon19X18 Wed 21X18	Energy Futures and Options: Electric <b>No Class Thanksgiving</b>	Primer on Electricity p.18-61
	Mon26X18 Wed28X18	<b>Guest Speaker: Todd Busby, AEP</b> Energy Futures and Options: Electric	Primer <b>HW#4 Due</b>
	Mon3Z18 Wed5Z18	Interest Rate Futures Review Session	IFM 8

**FINAL EXAMINATION: Thurs. December 13, 2018, 10:00-11:45 AM**