An Introduction to the Mathematics of Financial Derivatives (Academic Press Advanced Finance)

Salih N. Neftci
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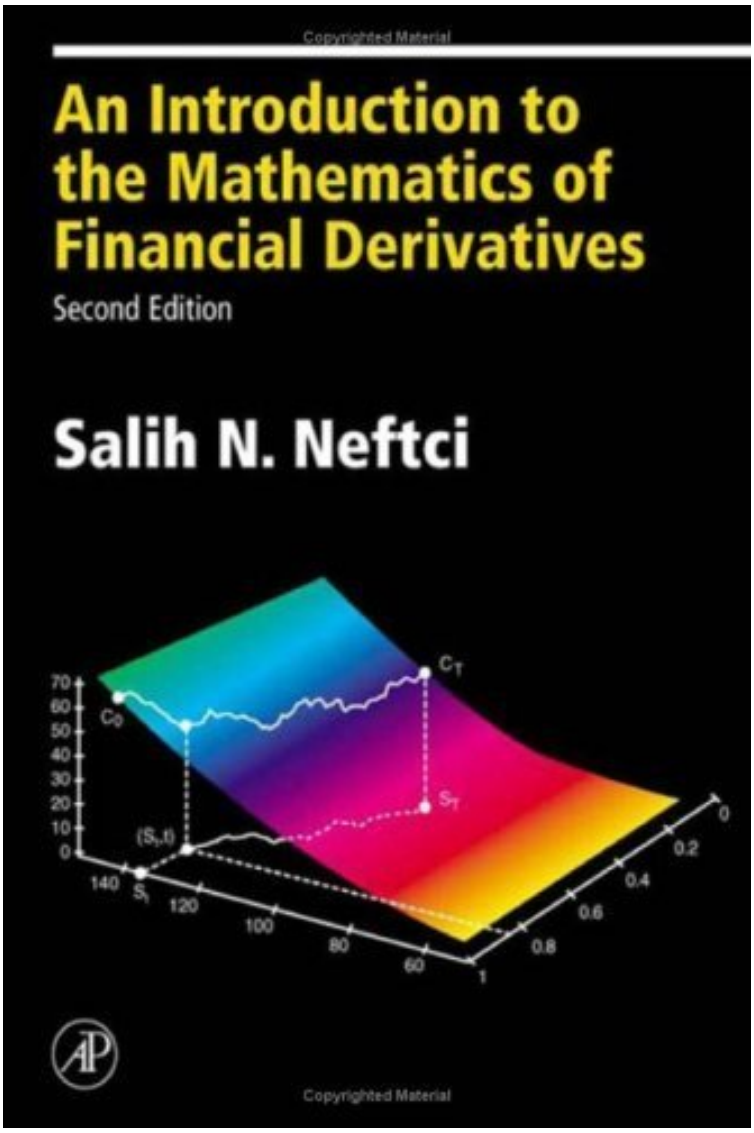

#1346647 in eBooks 2000-06-22 2000-06-22File Name: B00391L89O | File size: 75.Mb

Salih N. Neftci : An Introduction to the Mathematics of Financial Derivatives (Academic Press Advanced Finance) before purchasing it in order to gage whether or not it would be worth my time, and all praised An Introduction to the Mathematics of Financial Derivatives (Academic Press Advanced Finance):

0 of 0 people found the following review helpful. Above average introduction to math financeBy Sunanda DuttaI do not know why people are against this book. The title clearly says "introduction". True, it does little to provide deep

insights into financial modeling, but it does give a preliminary idea into the math involved, and does a good job of walking you into the subject gently. The layout is a little chaotic, but with a judicious choice of subjects, that will not be much of a problem. The problems are the worst part- half of them do not have any relevance considering the chapter in question, and some incorporate concepts which are not mentioned in the book.The book itself is clear and concise. The intuitive idea about measure and stochastic integral is very nice. Also, after going through this book you will be able to progress into the deeper math quite nicely. Its worthwhile buying this book..6 of 7 people found the following review helpful. I was disappointedBy SM-NM CatboyI bought the book because of all the positive reviews; I did read the negative reviews, but decided to take my chance.This book is useful for reviewing materials that you have learned in the past but forgotten. In my opinion, it's not that good for beginners of mathematical finance (who wants to learn it seriously) because the presentation is so unclear, with lots of hand-waving and skipping essential steps. I am a beginner myself, and I would rather struggle through more mathematically difficult but clearly presented textbooks.I wanted to give this book one star because it was way below expectation, but I gave it two because at least it attempts to offer a layman's explanations (not a very successful attempt, but a positive thing, nonetheless) behind all the math. And it's not like I gained absolutely nothing from it. I guess I would recommend giving this book a shot if you could get it cheaply, perhaps a secondhand copy.4 of 4 people found the following review helpful. A very Good Intro BookBy SalviatiIt has been 2 days and 8 chapters through the Neftci book and I find it to be the best introduction into asset pricing that I have found. The explanations are clear and make sense. Furthermore the examples used are very inciteful. THe highlights however are the introduction to stocastic calculus, a and a very clear representation of martigales. There are a couple of downsides to this book, one is a lack of solutions to the exercises and the other is a shortage of exercises. I feel that I probably won't get as much out of this text for these reasons.

An Introduction to the Mathematics of Financial Derivatives, Second Edition, introduces the mathematics underlying the pricing of derivatives. The increased interest in dynamic pricing models stems from their applicability to practical situations: with the freeing of exchange, interest rates, and capital controls, the market for derivative products has matured and pricing models have become more accurate. This updated edition has six new chapters and chapter-concluding exercises, plus one thoroughly expanded chapter. The text answers the need for a resource targeting professionals, Ph.D. students, and advanced MBA students who are specifically interested in financial derivatives. This edition is also designed to become the main text in first year masters and Ph.D. programs for certain courses, and will continue to be an important manual for market professionals and professionals with mathematical, technical, or physics backgrounds.

PRAISE FOR THE FIRST EDITION:"An excellent treatment of the mathematics underlying the pricing of derivatives."mdash;JOHN HULL, University of Toronto"This book will be a major convenience to derivatives traders, risk managers, and other users and developers of derivatives models. It greatly reduces the cost of entry into the mathematical world of valuation, hedging, and risk measurement for derivatives positions."mdash;J. DARRELL DUFFIE, Stanford UniversityPRAISE FOR THE SECOND EDITION:"As an introduction to the mathematics underlying the pricing of derivatives, the book succeeds admirably."mdash;JOURNAL OF ECONOMIC LITERATURE"This book is a self-contained first step into mathematical finance, and it covers the fundamentals of the topic beautifully. The conclusions and references at the end of each chapter are very useful. The former provides a broad picture of each chapter's content. The latter offer invaluable links for those who would like a more detailed discussion..."mdash;SIAM (Society for Industrial and Applied Mathematics)From the Back CoverPraise for the First Edition"An excellent treatment of the mathematics underlying the pricing of derivatives."--JOHN HULL, University of Toronto"This book will be a major convenience to derivatives traders, risk managers, and other users and developers of derivatives models. It greatly reduces the cost of entry into the mathematical world of valuation, hedging, and risk measurement for derivatives positions."--J. DARRELL DUFFIE, Stanford University"As an introduction to the mathematics underlying the pricing of derivatives, the book succeeds admirably."--JOURNAL OF ECONOMIC LITERATUREThe intuitive, step-by-step approach of this book makes it one of the most accessible and popular explanations of the mathematical models used to price derivatives. For the Second Edition, Salih Neftci has thoroughly expanded one chapter, added six new ones, and inserted chapter-concluding exercises. He does not assume that the reader has a thorough mathematical background, and the math is lucid and fresh. His explanations of financial calculus are remarkable for their simplicity and perception.About the Author:Salih Neftci completed his Ph.D. at the University of Minnesota and subsequently taught at George Washington University, Columbia University, and the Graduate Institute for International Economics, Geneva. He is currently teaching at CUNY Graduate School, New York, New York, and ISMA Centre, University of Reading, UK. Professor Neftci is also a consultant to the Citibank New Products Group in Stamford, Connecticut, and has been a consultant to the World Bank, the U.S. Department of State, and the Agency for International Development. His teaching is in the areas of numerical methods in asset pricing, the mathematics of financial derivatives, emerging market asset trading strategies, and advanced risk management.About the AuthorProfessor Neftci completed his PhD at the University of Minnesota. Currently he

teaches at the Graduate School, City University of New York, ICMA Centre, University of Reading, UK, and at the University Of Lausanne, Switzerland. He is also a Visiting Professor in the Finance Department at Hong Kong University of Science and Technology. He is the head of the FAME Certificate program in Switzerland. Professor Neftci is known for his books and articles. His books, An Introduction to the Mathematics of Financial Derivatives and Principles of Financial Engineering, are standard texts in most university derivatives courses. The more recent book, Principles of Financial Engineering, was selected as the runner up for The Book of the Year award by Risk magazine during 2004. His current research deals with pricing of contingent credit lines, the relationship between yield curve curvature and volatility. He is also working on using the Credit Default Swap prices to predict financial crises. Overall, Professor Neftci's research and teaching is in the areas of financial engineering, risk management of extreme events and in emerging market asset trading strategies. His latest papers deal with risk measurement using extreme value theory and volatility dynamics. Professor Neftci is a consultant to various financial institutions and teaches high-level courses on cutting-edge issues to advanced financial market professionals. He was recently a consultant with the World Bank and with the IFC. He regularly holds highly visible workshops for market professionals on Financial Engineering, Mathematics for Financial Derivatives, and Calibration Methods. Currently he is a Risk Management Advisor to IMF. Professor Neftci is also a regular columnist for CBN daily, a financial daily in Shanghai, the most influential financial newspaper in China. His columns dealing with current financial market activity are regularly quoted on sina.com and on sohu.com.