Lecturer: PROF KOSTYA BOROVKOV  
Room 225, Richard Berry Bldg; ph. 8344 7992  
E-mail: kostya@ms.unimelb.edu.au  
Office hours for this subject: Wedn., 1–3pm (TBC)

Lectures: MON. & FRI.: HERCUS THEATRE (DAVID CARO BLDG);  
WEDN.: OLD ARTS THEATRE C;  
ALL LECTURES ARE TIMETABLED FOR 9–10AM.

Pracs:  
PROBLEM SOLVING SESSIONS: ONE HOUR PER WEEK (STARTING WEEK 2 OF SEMESTER),  
MON.: RUSSELL LOVE THEATRE (RICHARD BERRY), 1–2PM.

Lecture Slides:  
Cover the whole course and will be available for downloading from the Web.

Recommended (optional) books:  

You do not need to buy any books. The books below are recommended as additional optional reading only, in no particular order. Other editions of the texts below and other texts as well will be helpful, too. BUT: the lecture transparencies/handouts available on the Web will cover the material that is examinable. Please note that some of the texts below may be put on reserve during semester.

**Shreve, S. Stochastic Calculus for Finance.** Internet resource:  
http://www.math.cmu.edu/users/shreve/LectureNotes.pdf (1+ MB, 364 pp.)  


Assessment:

A 3-hour end of semester written examination and up to 50 pages of assignments may be assessed. You will be given weekly homeworks (the plan is to distribute them on Fridays), solutions to which you will have to submit (and there will be no further assignments apart from these homework sheets). Only one of the homework problems (one and the same for the whole class) will be marked each time; it will be chosen at random (after the work has been submitted). Late submissions will receive no mark (unless you qualify for special consideration; please contact your tutor ASAP if this is the case).

The final mark for the subject will be calculated basing on the following formula:

\[
\text{Final Mark} = 0.8 \times \text{Exam Mark (out of 100)} + 0.2 \times \text{Total Homework Mark (out of 100)}
\]

Web stuff:

During semester new information re the subject will be published at