Course Syllabus of AGEC 4317
Commodities and Futures Trading
CRN 22141

Instructor: Kishor Luitel, Ph.D.
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Work Phone: 325-942-2027
Office: Vincent Nursing Physical Sci 227
Office Hours: Tuesday and Thursday 2:30-4:00 pm. or by appointment (email)
Class Meeting: 11:00 A.M. -12:15 P.M. on Tuesday and Thursday
Class Location: Vincent Nursing Physical Sci 263

Recommended Text & Materials
- An Introduction to Futures and Options, Student Manual, CME.
- Understanding Futures Markets, 6th ed., Robert Kolb and James Overdahl, Blackwell Publishing.

Useful Web Links
- World Agricultural Supply and Demand Estimates Report (WASDE)
- Commodities Options on Stocks and Futures
  - CME
  - Bloomberg
  - FT

Expected Learning Outcomes
This class is design to provide the students with a basic concept and hands in experience on commodity futures and options trading. An economic perspective will be used to analyze the functions and mechanics of the futures and options markets as a management tools.

Course Prerequisites
This class required basic understanding of economics, market, mathematic, and algebraic concept.
If you do not have much experience with these skills or are uncertain about your ability, the ASU tutoring center is a great resource for help with basic math skills.
Grading Policy

Grading Scale
- A: 90 – 100
- B: 80 – 89
- C: 70 – 79
- D: 60 – 69
- F: 0 – 59

Policy on Rounding
I will round a grade up to the next letter ONLY if the numerical grade ends in a 9.50 – 9.99. In other words, 89.50 rounds to an A, but 89.49 is a B.

Grading Components
- Exam Average: 45% of final grade
- Trading experience: 20% of final grade
- Quizzes Average: 10% of final grade
- Homeworks Average: 25% of final grade

To calculate your grade
\[(\text{Exam Avg} \times 0.45) + (\text{Trading} \times 0.20) + (\text{homework avg} \times 0.25) + (\text{quiz Avg} \times 0.1) = \text{Grade}\]

Attendance and Class Participation points are bonus, which may add maximum of 6 points on your final grade. To receive bonus points on attendance, your unexcused absence for the class should be less than 3 days.

Attendance
Attendance is essential to perform well in this class. I expect students to attend class unless they have been excused beforehand. Furthermore, I expect students to arrive on time and prepared to participate in the lecture and discussion.

How I Take Attendance
I will maintain a record of every student’s attendance for each day of class. If I do not record that you were in class then you will be counted absent on that day, so if you come in to class late make sure you check in with me at the end of class.

Definition of an Unexcused Absence
Any absence that is not related to a University event or is not approved by me beforehand is unexcused. I am willing to consider excusing any absence as long as you inform me of the absence and explain why it cannot be avoided. Please note that consider does not mean accept.

Information Missed During an Absence
You are responsible for any information related to the class that you miss while absent. I am happy to answer any questions you might have, but I will not reproduce a lecture for you in my office.

ASU Policy on Religious Holy Days
A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy
day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

Quizzes
There will be several quizzes throughout the semester. Quizzes will cover the material presented in class and/or assigned for reading. Any missed quiz will receive a grade of zero. The one lowest score of the quizzes will be dropped; this includes the zero for missed quiz.

Trading Experience
Each student will actively participate in a futures and options trading simulation game available at FACTSim®. An initial $100,000 will be deposited in each student’s account to begin speculative trading. Daily reports showing open positions, margin commitments, and profits (losses) will be accessible to each participant. Each student is required to make at least 8 transactions. Keeping a journal of all transactions with technical analysis is also required. Each student will have to write a paper explaining his/her transactions and trading strategies after the trading is closed. April 20 will be the last day of trading, and students have to submit the Trading Experience paper by April 27, 2017. In any class day, instructor may choose a student to explain their trading decided.

Homework Assignments
There will be multiple homework assignments. The purpose of these assignments is to improve analytical skills and understanding the concept of futures and options. Students are required to solve the problems before the due dates. Some of the problems will be solved in class with student participation – students will be called to solve the problems on the board, and a participation grade will be assigned to the volunteers. Student participation will constitute a part of the grade.

Exam Policies
There are three midterm exams planned for this course, each worth 100 points, plus a final exam that is optional and will replace your lowest exam score.

- The three midterm exams are not cumulative.
- The optional final is cumulative and cannot hurt your final grade.
- If you miss an exam and it is an excused absence you will be allowed to take the exam on a different date. It is my preference that you take the exam early if possible.
- If you miss an exam and it is an unexcused absence you will not be allowed to make it up.
- If you are late to an exam you will be allowed to take it as long as no one has turned in their copy. You will not be given extra time to complete the exam if you are late.
Academic Integrity

Academic Integrity Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding the Academic Honor Code, which is contained in both print and web versions of the Student Handbook.

Accommodations for Students with Disabilities

ASU is committed to the principle that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs or activities of the university, or be subjected to discrimination by the university, as provided by the Americans with Disabilities Act of 1990 (ADA), the Americans with Disabilities Act Amendments of 2008 (ADAAA) and subsequent legislation.

Student Disability Services is located in the Office of Student Affairs, and is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability. It is the student’s responsibility to initiate such a request by contacting an employee of the Office of Student Affairs in the Houston Harte University Center, Room 112, or contacting the department via email at ADA@angelo.edu. For more information about the application process and requirements, visit the Student Disability Services.

The employee charged with the responsibility of reviewing and authorizing accommodation requests is:

Dallas Swafford, Director of Student Disability Services, Office of Student Affairs
325-942-2047; dallas.swafford@angelo.edu; Houston Harte University Center, Room 112

See ASU Operating Policy OP 10.15.

In Technical Difficulties or Other Issues:

Should you experience any technical difficulties or other issues that prevent you from completing an assignment contact me AS SOON AS IT OCCURS. If you contact me by email, please use the following format:

Subject: AGEC 4317

Dear Dr. Luitel,
[State your difficulty]. Can you please [state your request].

Thank you,
[Student Name]

Be advised that I may ask some follow up questions and your answers might determine how accommodating I am.

Policy on Deviations from this Syllabus

While I hope I do not have to make any changes to the course policies or course schedule, there is always the possibility that special circumstances will arise that necessitate changes be made. If such a circumstance occurs, then I will communicate it both in class and via email. Once announced, any such changes will supersede what is written in this syllabus.
Course Outline

- FACTSIm- online simulation trading
- An introduction to futures contracts and futures markets:
- Mechanics of buying and selling futures
- Trading methods and strategies – Fundamental and Technical Analysis:
- Cash vs. futures prices:
  - Arbitrage
  - Speculation
- Spreading with futures:
- Hedging with futures - fundamentals and strategies:
- Fundamentals of options
- Options on futures
- Speculating, spreading, and hedging with options on futures

Course Tentative Schedule

The table outlines the course tentative schedules for exams and other events.

<table>
<thead>
<tr>
<th>Events</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam I</td>
<td>6 February</td>
</tr>
<tr>
<td>Exam II</td>
<td>20 March</td>
</tr>
<tr>
<td>Spring Break</td>
<td>12-16 March</td>
</tr>
<tr>
<td>Exam III</td>
<td>17 April</td>
</tr>
<tr>
<td>Last day to drop a class or withdraw for the Regular Spring 2018 Session</td>
<td>2nd April</td>
</tr>
<tr>
<td>Last trading day</td>
<td>20 April, 2018</td>
</tr>
<tr>
<td>Submit the Trading Experience paper</td>
<td>27 April, 2018</td>
</tr>
<tr>
<td>Final Exam</td>
<td>8 May, 2018 at 10:30am</td>
</tr>
</tbody>
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5. [https://www.ft.com/markets/commodities](https://www.ft.com/markets/commodities)
9. [http://www.angelo.edu/ADA](http://www.angelo.edu/ADA)
10. [http://www.angelo.edu/content/files/14216-op-1015-providing-accommodations-for-students-with](http://www.angelo.edu/content/files/14216-op-1015-providing-accommodations-for-students-with)