

FSRM 582 - Fall 2014
Introduction to Methods and Theory of Probability

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Office: Hill Center 461
Office hours: Tues, 5:30pm-6:30pm

Lecture: Tues, 6:40pm - 9:30pm HILL-552

Teaching Assistant: Phil Benjamin
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Office: Hill Center
Office hours: Monday, 5:00-6:00pm

Classroom policy: Photo, video, and audio recording are **NOT PERMITTED** during lectures. Use of electronic devices, e.g., computers, phones, tablets, etc., during class are **strongly discouraged**. Students who need to use any device during class must request permission.

Overview: This course is an introduction to probability theory for financial statistics and risk management. We cover the fundamentals of probability in preparation for FSRM 583, Methods of Statistical Inference. Learning objectives for the course are (1) to become familiar with fundamental probability theory and calculations and (2) to be able to effectively communicate technical aspects in probability theory to a non-technical audience. Attainment of these objectives will be measured through periodic homework assignments, two midterm exams, and a final paper. In assigning course grades, consideration will be given according to the following weighting scheme: homework (10%), exams (80%), and final paper (10%).

Textbook There is no required textbook. Lecture notes will be posted on the course webpage. For additional exercises, I recommend *A First Course in Probability*, by Sheldon Ross.

** Students are responsible for all material covered in class.

Important dates:

Exam I: November 4, 2014
Final paper proposal: October 14, 2014
Exam II: December 9, 2014
Final paper: December 9, 2014 (due at the end of class)

Exam policy: There will be no makeup for Exam I.

Homework policy: No late homework is accepted. There is no policy regarding collaboration, but each student must submit a hard copy of his/her own solutions to receive credit. Homework assignments will not be accepted by any other means, e.g., by email.

Final paper policy: Collaboration is **strictly prohibited** and all outside sources used must be cited in a bibliography. The paper must be written by the student in his/her own words.

Office Hour policy: For the benefit of all students, Professor Crane's office hour is only for questions regarding class material, **not** for homework questions. Questions regarding homework should be discussed at the TA's office hours. Emails regarding homework problems should be sent to the TA, Phil Benjamin.