

4. Readings

4.1 Textbook:

1. S. Shreve, *Stochastic Calculus for Finance, Vol. II*, Springer, 2004.

4.2 Reference books:

1. F. C. Klebaner, *Introduction to Stochastic Calculus with Applications*, 3rd Ed., Imperial College Press, 2012.
2. S. Shreve, *Stochastic Calculus for Finance, Vol. I*, Springer, 2004.
3. M. Baxter and A. Rennie, *Financial Calculus*, Cambridge University Press, 1996.
4. A. Etheridge, *A Course in Financial Calculus*, Cambridge University Press, 2003.
5. R. J. Elliott and P. E. Kopp, *Mathematics of Financial Markets*, Springer, 1999.

5 Outcome of the Course:

At the end of the course the students will be able to apply stochastic calculus to derive different financial models.