



Subject card

Subject name and code	FINANCIAL MATHEMATICS, PG_00071696						
Field of study	Management						
Date of commencement of studies	October 2026	Academic year of realisation of subject			2026/2027		
Education level	first-cycle studies	Subject group			Obligatory subject group in the field of study Subject group related to scientific research in the field of study		
Mode of study	Full-time studies	Mode of delivery			at the university		
Year of study	1	Language of instruction			English		
Semester of study	1	ECTS credits			4.0		
Learning profile	general academic profile	Assessment form			assessment		
Conducting unit	Department of Finance -> Faculty of Management and Economics -> Faculties of Gdańsk University of Technology						
Name and surname of lecturer (lecturers)	Subject supervisor	dr inż. Ewa Mazurek-Krasodomska					
	Teachers						
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	15.0	30.0	0.0	0.0	0.0	45
	E-learning hours included: 0.0						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	Number of study hours	45		3.0		52.0	100
Subject objectives	Preparation of students to solve decision-making problems in finance using the tools of financial mathematics, based on knowledge of the time value of money and methods of valuing financial instruments, as well as the development of attitudes related to logical thinking and the precise formulation of solutions in the context of economic analyses.						
Learning outcomes	Course outcome		Subject outcome		Method of verification		
	[K6_U04] develops logical solutions to complex or unstructured problems, even under conditions of uncertainty.		is able to perform calculations related to the valuation of financial instruments using appropriate mathematical models (interest, discounting, capitalization, annuity calculus) and analyze their impact on the future and present value of cash flows		[SU2] Assessment of ability to analyse information		
	[K6_W02] possesses advanced knowledge of methods and techniques that enable precise formulation and effective problem solving.		knows and understands the principles of the mathematical description of the time value of money, with particular emphasis on various interest rate models, discounting methods, and annuity calculus, in the context of analyzing financial and economic decisions		[SW1] Assessment of factual knowledge		
	[K6_K03] is prepared to critically assess the knowledge they possess, which is necessary for solving cognitive and practical problems, and to supplement any gaps with opinions from external experts.		is ready to critically evaluate their knowledge in financial mathematics in the context of solving cognitive and practical problems, particularly by verifying the validity of underlying assumptions and identifying limitations of applied financial models		[SK5] Assessment of ability to solve problems that arise in practice		

Subject contents	<p>Course content – lecture</p> <ol style="list-style-type: none"> 1. Time value of money in the context of simple interest and compound interest. 2. Equivalent, effective, and average interest rates vs. the discount rate 3. Inflation rate and real interest rate. 4. Valuation of short-term debt securities (treasury bills and other debt instruments). 5. Valuation of long-term debt securities. 6. Arithmetic, geometric, and logarithmic rates of return. 7. Construction of an investment portfolio introduction to Modern Portfolio Theory. 8. Models of annuities paid in arrears and in advance + perpetuity (Part 1). 9. Models of annuities paid in arrears and in advance + perpetuity (Part 2). 10. Models of equal instalments with compounding more frequent or less frequent than the payment periods. 11. Debt repayment, credit assessment indicators, and repayment schedules. 12. Basics of investment profitability analysis (IRR and NPV measures). 13. Use of spreadsheets in financial mathematics and/or the FinCal package in R. 14. Introduction to the valuation of derivatives using the example of an option contract. 		
	<p>Course content – exercises</p> <ol style="list-style-type: none"> 1. Time value of money in the context of simple interest and compound interest. 2. Equivalent, effective, and average interest rates vs. the discount rate 3. Inflation rate and real interest rate. 4. Valuation of short-term debt securities (treasury bills and other debt instruments). 5. Valuation of long-term debt securities. 6. Arithmetic, geometric, and logarithmic rates of return. 7. Construction of an investment portfolio introduction to Modern Portfolio Theory. 8. Models of annuities paid in arrears and in advance + perpetuity (Part 1). 9. Models of annuities paid in arrears and in advance + perpetuity (Part 2). 10. Models of equal instalments with compounding more frequent or less frequent than the payment periods. 11. Debt repayment, credit assessment indicators, and repayment schedules. 12. Basics of investment profitability analysis (IRR and NPV measures). 13. Use of spreadsheets in financial mathematics and/or the FinCal package in R. 14. Introduction to the valuation of derivatives using the example of an option contract. 		
Prerequisites and co-requisites			
Assessment methods and criteria	Subject passing criteria	Passing threshold	Percentage of the final grade
	Written quizzes/tests assessing the ability to analyse and solve problems.	60.0%	80.0%
	Assessment of additional assignments requiring the application of methods discussed during the classes.	0.0%	10.0%
	A written problem-based test assessing the understanding of concepts and methods.	60.0%	10.0%
Recommended reading	Basic literature	<ol style="list-style-type: none"> 1. A. Pascucci, W. J. Runggaldier Financial Mathematics: Theory and Problems for Multi-period Models (UNITEXT) 2012th Edition, Springer 2012S. Chandra, S. Dharmaraja, Aparna Mehra, R. Khemchandani, 2. Financial Mathematics: An Introduction 1st Edition, Alpha Science International, 2013 3. D.G. Saari, Mathematics of Finance: An Intuitive Introduction (Undergraduate Texts in Mathematics) 1st ed. 2019 Edition, Springer, 2019 4. M. B. Miller, Mathematics and Statistics for Financial Risk Management 2nd Edition, Wiley Finance Series, 201 	
	Supplementary literature	<ol style="list-style-type: none"> 1. D.R. Chambers, Q. Lu, Introduction to Financial Mathematics With Computer Applications, Chapman and Hall/CRC, 2021 2. K. J. Hastings, Introduction to Financial Mathematic, Chapman and Hall/CRC, 2015 	
	eResources addresses		
Example issues/ example questions/ tasks being completed	Calculating the future value of deposits, loan instalments, and the expected amount of a pension.		
Practical activities within the subject	Not applicable		

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