Monte Carlo Simulation with Applications to Finance (Chapman and Hall/CRC Financial Mathematics Series)

Hui Wang
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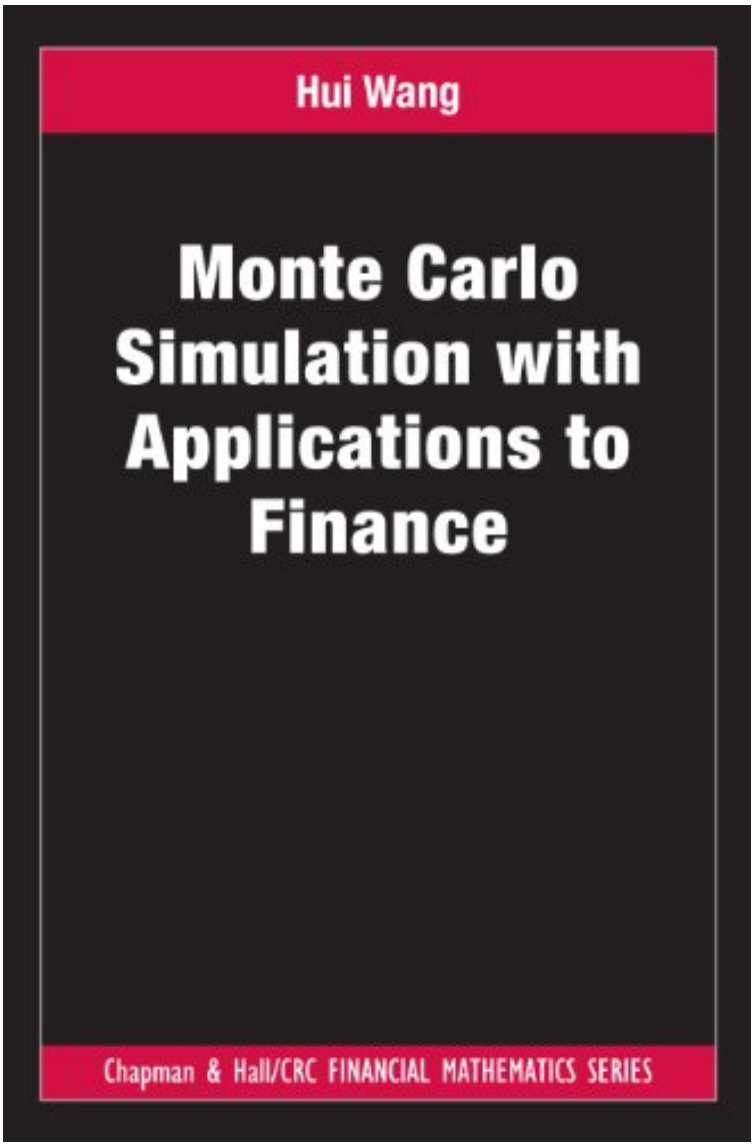

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Hui Wang : Monte Carlo Simulation with Applications to Finance (Chapman and Hall/CRC Financial Mathematics Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Monte Carlo Simulation with Applications to Finance (Chapman and Hall/CRC Financial Mathematics Series):

2 of 2 people found the following review helpful. Great for a look over.By wut_wutI took a stochastic simulations

class that used this text book. This book is a very good overview of lots of things, but I found it to be difficult. I had to get another book as a reference to actually learn the topics.This book does not go in depth into anything that it talks about and it as very very few examples. This makes answering the exercises difficult. Unless you have an absolute understanding of calculus and statistics going in, you wont learn much from this book.It is a well written book and the topics it covers are well put, but without the knowledge of a math professor behind it Monte Carlo Simulations with Applications to Finances falls short in the explanation department.1 of 2 people found the following review helpful. Beginner introductoryBy KinderchocolateThere is another review for this book complain that this book is too hard. I strongly believe it otherwise, because this book is way too simple for anybody who has studied financing engineering. It's a great book for overview about Monte-Carlo, but this is about it. The depth of the material is nothing more than definitions and simple explanation. For example, the book tells you how to simulate a Brownian motion, but it fails to tell you why the Euler scheme converge and there are other higher-order schemes (Euler is second) available. Another problem is that there is no discussion about the advantages and disadvantages for each random generation scheme. Is one scheme better in terms of computation?

Developed from the authorrsquo;s course on Monte Carlo simulation at Brown University, Monte Carlo Simulation with Applications to Finance provides a self-contained introduction to Monte Carlo methods in financial engineering. It is suitable for advanced undergraduate and graduate students taking a one-semester course or for practitioners in the financial industry.The author first presents the necessary mathematical tools for simulation, arbitrary free option pricing, and the basic implementation of Monte Carlo schemes. He then describes variance reduction techniques, including control variates, stratification, conditioning, importance sampling, and cross-entropy. The text concludes with stochastic calculus and the simulation of diffusion processes. Only requiring some familiarity with probability and statistics, the book keeps much of the mathematics at an informal level and avoids technical measure-theoretic jargon to provide a practical understanding of the basics. It includes a large number of examples as well as MATLABreg; coding exercises that are designed in a progressive manner so that no prior experience with MATLAB is needed.

"I liked this book because it gave me a good review of the mathematics of option pricing. The chapters are well written and were clear to me."?INFORMS Journal on Computing, 25(1), 2013 "hellip; is suitable for the practitioner in search of a hands-on approach to the topic, as well as the student/researcher who wants to have a quick way to know what simulation techniques (in particular for pricing derivatives) are about."?Gunther Leobacher, Mathematical s Clippings December 2013About the AuthorHui Wang is an associate professor in the Division of Applied Mathematics at Brown University. He earned a Ph.D. in statistics from Columbia University. His research and teaching cover Monte Carlo simulation, mathematical finance, probability and statistics, and stochastic optimization.