



Global Derivative Debacles: From Theory to Malpractice: 2nd Edition

By Laurent L. Jacque

[Download now](#)

[Read Online](#) 

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L. Jacque

This book analyzes in depth all major derivatives debacles of the last half century including the multi-billion losses and/or bankruptcy of Metallgesellschaft (1994), Barings Bank (1995), Long Term Capital Management (1998), Amaranth (2006), Société Générale (2008), AIG (2008) and JP Morgan-Chase (2012). It unlocks the secrets of derivatives by telling the stories of institutions which played in the derivative market and lost big. For some of these unfortunate organizations it was daring but flawed financial engineering which brought them havoc. For others it was unbridled speculation perpetrated by rogue traders whose unchecked fraud brought their house down.

Should derivatives be feared "*as financial weapons of mass destruction*" or hailed as financial innovations which through efficient risk transfer are truly adding to the *Wealth of Nations*? By presenting a factual analysis of how the malpractice of derivatives played havoc with derivative end-user and dealer institutions, a case is made for vigilance not only to market and counter-party risk but also operational risk in their use for risk management and proprietary trading. Clear and recurring lessons across the different stories in this volume call not only for a tighter but also "smarter" control system of derivatives trading and should be of immediate interest to financial managers, bankers, traders, auditors and regulators who are directly or indirectly exposed to financial derivatives.

The book groups cases by derivative category, starting with the simplest and building up to the most complex — namely, Forwards, Futures, Options and Swaps in that order, with applications in commodities, foreign exchange, stock indices and interest rates. Each chapter deals with one derivative debacle, providing a rigorous and comprehensive but non-technical elucidation of what happened.

What is new in the second edition? A new chapter on JP Morgan-Chase's London Whale, an in-depth discussion of credit-default swaps, and an update of the revamped regulatory framework with Basel 2.5 and Basel III against the backdrop of the Euro crisis, along with a revised and expanded discussion of the AIG debacle.

Readership: Economists; undergraduates and graduates majoring in finance, economics and business administration; professionals, financial managers and CPAs in the financial service industry.

 [Download Global Derivative Debacles: From Theory to Malprac ...pdf](#)

 [Read Online Global Derivative Debacles: From Theory to Malpr ...pdf](#)

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition

By Laurent L Jacque

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque

This book analyzes in depth all major derivatives debacles of the last half century including the multi-billion losses and/or bankruptcy of Metallgesellschaft (1994), Barings Bank (1995), Long Term Capital Management (1998), Amaranth (2006), Société Générale (2008) , AIG (2008) and JP Morgan-Chase (2012). It unlocks the secrets of derivatives by telling the stories of institutions which played in the derivative market and lost big. For some of these unfortunate organizations it was daring but flawed financial engineering which brought them havoc. For others it was unbridled speculation perpetrated by rogue traders whose unchecked fraud brought their house down.

Should derivatives be feared "*as financial weapons of mass destruction*" or hailed as financial innovations which through efficient risk transfer are truly adding to the *Wealth of Nations*? By presenting a factual analysis of how the malpractice of derivatives played havoc with derivative end-user and dealer institutions, a case is made for vigilance not only to market and counter-party risk but also operational risk in their use for risk management and proprietary trading. Clear and recurring lessons across the different stories in this volume call not only for a tighter but also "smarter" control system of derivatives trading and should be of immediate interest to financial managers, bankers, traders, auditors and regulators who are directly or indirectly exposed to financial derivatives.

The book groups cases by derivative category, starting with the simplest and building up to the most complex — namely, Forwards, Futures, Options and Swaps in that order, with applications in commodities, foreign exchange, stock indices and interest rates. Each chapter deals with one derivative debacle, providing a rigorous and comprehensive but non-technical elucidation of what happened.

What is new in the second edition? A new chapter on JP Morgan-Chase's London Whale, an in-depth discussion of credit-default swaps, and an update of the revamped regulatory framework with Basel 2.5 and Basel III against the backdrop of the Euro crisis, along with a revised and expanded discussion of the AIG debacle.

Readership: Economists; undergraduates and graduates majoring in finance, economics and business administration; professionals, financial managers and CPAs in the financial service industry.

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque Bibliography

- Sales Rank: #4262523 in Books
- Published on: 2015-07-29
- Original language: English
- Number of items: 1
- Dimensions: 9.08" h x .69" w x 6.34" l, .0 pounds
- Binding: Hardcover

- 368 pages



[Download Global Derivative Debacles: From Theory to Malprac ...pdf](#)



[Read Online Global Derivative Debacles: From Theory to Malprac ...pdf](#)

Download and Read Free Online Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque

Editorial Review

Review

Reviews of the First Edition:

"This timely and well-written book is a must read for anyone directly or indirectly involved in financial markets and instruments as well as risk management. By telling actual stories of how rogue traders and incompetent managers put their firms at risk, the author demystifies the complex world of financial derivatives. His incisive and in-depth analysis of all major derivatives debacles should help the reader understand what happened and avoid future disasters." -- Gabriel Hawawini, The Henry Grunfeld Professor of Investment Banking, INSEAD

"The author has written a book whose clarity makes it accessible to a wide range of practitioners and executives, and he brings the technical subject matter to life through the concrete examples of the highest profile failures in the use of derivatives. B Craig Owens, Senior Vice President and Chief Financial Officer, Campbell Soup

"The book is a timely contribution to a subject that has been at the epicenter of the current financial crisis ... Learning from past mistakes and applying the lessons is what sets this book apart and should make it a useful guide for practitioners." -- Dr Oliver S Kratz, Head of Global Thematic Equities, Deutsche Bank

From the Inside Flap

This book analyzes in depth all major derivatives debacles of the last half century including the multi-billion losses and/or bankruptcy of Metallgesellschaft (1994), Barings Bank (1995), Long Term Capital Management (1998), Amaranth (2006), Société Générale (2008), AIG (2008) and JP Morgan-Chase (2012). It unlocks the secrets of derivatives by telling the stories of institutions which played in the derivative market and lost big. For some of these unfortunate organizations it was daring but flawed financial engineering which brought them havoc. For others it was unbridled speculation perpetrated by rogue traders whose unchecked fraud brought their house down. Should derivatives be feared "as financial weapons of mass destruction" or hailed as financial innovations which through efficient risk transfer are truly adding to the Wealth of Nations? By presenting a factual analysis of how the malpractice of derivatives played havoc with derivative end-user and dealer institutions, a case is made for vigilance not only to market and counter-party risk but also operational risk in their use for risk management and proprietary trading. Clear and recurring lessons across the different stories in this volume call not only for a tighter but also "smarter" control system of derivatives trading and should be of immediate interest to financial managers, bankers, traders, auditors and regulators who are directly or indirectly exposed to financial derivatives. The book groups cases by derivative category, starting with the simplest and building up to the most complex namely, Forwards, Futures, Options and Swaps in that order, with applications in commodities, foreign exchange, stock indices and interest rates. Each chapter deals with one derivative debacle, providing a rigorous and comprehensive but non-technical elucidation of what happened.

About the Author

Laurent L Jacque is the Walter B Wriston Professor of International Finance & Banking at the Fletcher School of Law and Diplomacy (Tufts University) and Director of its International Business Studies Program. He is the author of two books — *Management and Control of Foreign Exchange Risk* (Kluwer Academic Publishers, 1996), and *Management of Foreign Exchange Risk: Theory and Praxis* (Lexington Books, 1978)

— as well as many articles on International Risk Management, Multinational Control Systems and Capital Markets. He served as an advisor and consultant to the Foreign Exchange Rate Forecasting Service of Wharton Econometrics, Forecasting Associates (1982–1990) and as a member of Water Technologies Inc's board of directors (1991–1994). Jacque received the James L Paddock award for teaching excellence at The Fletcher School in 1996. He is a consultant to a number of firms in the area of corporate finance and risk management and has taught in many Management Development Programs, including Manufacturers Hanover Trust, Merck, Sharp & Dohme, Philadelphia National Bank, General Motors, Bunge and Born (Brazil), Rhone-Poulenc (France), Siam Commercial Bank (Thailand), Daewoo (South Korea), General Electric, Dupont de Nemours, Norwest Bank, Bangkok Bank (Thailand), INSEAD, Pechiney, Petrobras and the IFC (World Bank group).

Users Review

From reader reviews:

James Senters:

This Global Derivative Debacles: From Theory to Malpractice: 2nd Edition is great publication for you because the content which is full of information for you who always deal with world and also have to make decision every minute. This book reveal it info accurately using great coordinate word or we can claim no rambling sentences inside. So if you are read that hurriedly you can have whole information in it. Doesn't mean it only provides you with straight forward sentences but difficult core information with beautiful delivering sentences. Having Global Derivative Debacles: From Theory to Malpractice: 2nd Edition in your hand like obtaining the world in your arm, details in it is not ridiculous one. We can say that no reserve that offer you world within ten or fifteen second right but this e-book already do that. So , this is certainly good reading book. Hey there Mr. and Mrs. busy do you still doubt in which?

Nancy Farley:

Beside this particular Global Derivative Debacles: From Theory to Malpractice: 2nd Edition in your phone, it can give you a way to get closer to the new knowledge or facts. The information and the knowledge you are going to got here is fresh in the oven so don't be worry if you feel like an outdated people live in narrow small town. It is good thing to have Global Derivative Debacles: From Theory to Malpractice: 2nd Edition because this book offers for your requirements readable information. Do you occasionally have book but you don't get what it's exactly about. Oh come on, that won't happen if you have this in the hand. The Enjoyable blend here cannot be questionable, just like treasuring beautiful island. Use you still want to miss the idea? Find this book and also read it from right now!

Beverly Hummell:

A lot of book has printed but it takes a different approach. You can get it by internet on social media. You can choose the top book for you, science, comedian, novel, or whatever by searching from it. It is referred to as of book Global Derivative Debacles: From Theory to Malpractice: 2nd Edition. Contain your knowledge by it. Without departing the printed book, it may add your knowledge and make an individual happier to read. It is most essential that, you must aware about e-book. It can bring you from one spot to other place.

Paul Jackson:

Guide is one of source of information. We can add our information from it. Not only for students but additionally native or citizen have to have book to know the change information of year to year. As we know those ebooks have many advantages. Beside we all add our knowledge, can bring us to around the world. With the book Global Derivative Debacles: From Theory to Malpractice: 2nd Edition we can consider more advantage. Don't you to definitely be creative people? For being creative person must like to read a book. Only choose the best book that acceptable with your aim. Don't become doubt to change your life with that book Global Derivative Debacles: From Theory to Malpractice: 2nd Edition. You can more appealing than now.

**Download and Read Online Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque
#ABDPWUO0N57**

Read Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque for online ebook

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque Free PDF d0wnl0ad, audio books, books to read, good books to read, cheap books, good books, online books, books online, book reviews epub, read books online, books to read online, online library, greatbooks to read, PDF best books to read, top books to read Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque books to read online.

Online Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque ebook PDF download

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque Doc

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque MobiPocket

Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque EPub

ABDPWUO0N57: Global Derivative Debacles: From Theory to Malpractice: 2nd Edition By Laurent L Jacque