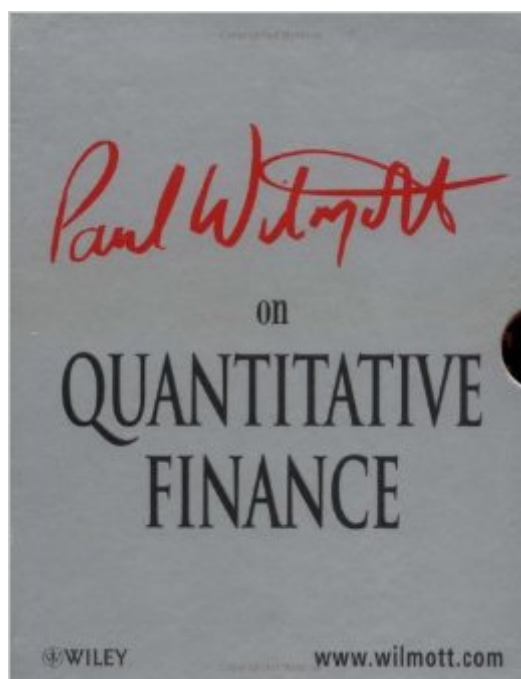# Paul Wilmott On Quantitative Finance, 2 Volume Set

Synopsis

The only comprehensive reference encompassing both traditional and new derivatives and financial engineering techniques Based on the author's hugely successful Derivatives: The Theory and Practice of Financial Engineering, Paul Wilmott on Quantitative Finance is the definitive guide to derivatives and related financial products. In addition to fully updated and expanded coverage of all the topics covered in the first book, this two-volume set also includes sixteen entirely new chapters covering such crucial areas as stochastic control and derivatives, utility theory, stochastic volatility and utility, mortgages, real options, power derivatives, weather derivatives, insurance derivatives, and more. Wilmott has also added clear, detailed explanations of all the mathematical procedures readers need to know in order to use the techniques he describes. Paul Wilmott, Dphil (Oxford, UK), is one of Europe's leading writers and consultants in the area of financial mathematics. He is also head of Wilmott Associates, a leading international financial consulting firm whose clients include Citibank, IBM, Bank of Montreal, Momura, Daiwa, Maxima, Dresdner Klienwort Benson, Origenes, and Siembra.

Book Information

Series: Wiley Frontiers in Finance

Hardcover: 1064 pages

Publisher: Wiley (January 15, 2000)

Language: English

ISBN-10: 0471874388

ISBN-13: 978-0471874386

Product Dimensions: 8 x 3.2 x 10.4 inches

Shipping Weight: 5.8 pounds

Average Customer Review: 3.7 out of 5 stars See all reviews (32 customer reviews)

Best Sellers Rank: #1,550,783 in Books (See Top 100 in Books)   #356 in Books > Business & Money > Investing > Futures   #2101 in Books > Textbooks > Business & Finance > Finance #2547 in Books > Textbooks > Business & Finance > Accounting

Customer Reviews

This book is a lengthy overview of some modern techniques in financial engineering. If viewed from the standpoint of applications of partial differential equations to finance, then this book is a reasonably complete treatment. The author does spend a great deal of time on the more bread-and-butter topics of financial modeling and less on more specialized topics, as for example

weather and energy derivatives, where the use of partial differential equations is of upmost importance. There are of course alternative approaches to financial modeling from the mathematical perspective, such as techniques from the theory of stochastic processes and martingales, but a consideration of such techniques would swell the book to over twice the size, and there are other good books that cover thses approaches in detail. The author uses Visual Basic and Excel spreadsheets to compute the relevant financial quantities, and given the popularity of spreadsheets in finance, this is appropriate. The numerical solution of partial differential equations is most efficiently done using C (or Fortran) and no doubt the author does recognize this, for he does mention translating existing code in C to Visual Basic. My only major objection to the book is the lack of exercises, which were a major selling point to me in the author's earlier book on derivatives. Having such exercises is indispensable in understanding results of this nature. The first few chapters of Volume 1 give an elementary introduction to the theory of derivatives and stochastic calculus. The author does remain concrete in his explanations, and he gives a fairly straightforward derivation of the Black-Scholes equation. This is followed by a very quick discussion of Green's function solutions of the equation and introduction to the Greeks.

I have been an appreciative reader of the previous books by Paul Wilmott, and I eagerly bought this updated edition of Derivatives right away. There was no surprise: this is possibly the most comprehensive book on mathematical finance up to date. Several new chapters have been added, some of them addressing very interesting subjects such as stochastic control (one of my favourites), and many others have been expanded. For instance, American options are explained more thoroughly in this edition. You won't need a PhD in math to read the book: it takes little mathematical knowledge to understand the models to a good level of accuracy (strange as it may sound, the author succeeds in demonstrating it is so), and the derivation of more subtle quantitative subjects is straightforward. Wilmott as usual includes some funny lines throughout the text that make the reading light and enjoyable. The drawing boxes depicting the author himself providing concise advice on what issues to focus on may certainly look childish, yet I think they are of some help to the reader. Actually, I think it's impossible to conceive a topic in derivatives theory (and practice, as the author reminds) not covered in these volumes. Do not expect Paul Wilmott on quantitative finance to provide a useful quick reference for formulas and basic ideas, though. The thick and heavy two volumes are a nightmare to carry around (despite the stylish box that accomodates them) and you won't like to browse through the index jumping from one book to the other. Overall, I think this book is a must for all those interested in financial mathematics.

Paul Wilmott on Quantitative Finance, 2 Volume Set Corporate Finance: Corporate Finance Guide To Understanding Corporate Finance With Strategies For Business Owners For Utilizing Corporate Finance Including ... Finance Business, Theory And Practice) Principles of Corporate Finance (The Mcgraw-Hill/Irwin Series in Finance, Insurance, and Real Estate) (McGraw-Hill/Irwin Series in Finance, Insurance and Real Estate (Hardcover)) Personal Finance: Budgeting and Saving Money (FREE Bonuses Included) (Finance, Personal Finance, Budget, Budgeting, Budgeting Money, Save Money, Saving Money, Money) F# for Quantitative Finance Quantitative Methods in Derivatives Pricing: An Introduction to Computational Finance Interest Rate Modelling in the Multi-Curve Framework: Foundations, Evolution and Implementation (Applied Quantitative Finance) Discounting, LIBOR, CVA and Funding: Interest Rate and Credit Pricing (Applied Quantitative Finance) Quantitative Risk Management: Concepts, Techniques and Tools (Princeton Series in Finance) The Validation of Risk Models: A Handbook for Practitioners (Applied Quantitative Finance) Budgeting: Easy, Step-By-Step Budgeting Program, Tips to Set Up an Easy Budget and Start Saving Your Money Now! Get Debt Free for Good! (finance, budgeting, personal finance, budget) GMAT Quantitative Strategy Guide Set (Manhattan Prep GMAT Strategy Guides) Manhattan GMAT Quantitative Strategy Guide Set, 5th Edition (Manhattan GMAT Strategy Guides) Jean-Paul Hébert Was There/Jean-Paul Hébert Etait Là (English and French Edition) In the Steps of Saint Paul: An Illustrated Guide to Paul's Journeys At the Center of the Human Drama: The Philosophy of Karol Wojtyla/Pope John Paul II (Michael J. Mcgivney Lectures of the John Paul II Institute) Equity Finance: Venture Capital, Buyouts, Restructure and Reorganizations (3 Volume Set) 2016 Loan Officer's Practical Guide to Residential Finance 2016: SAFE Act Included (The Practical Guide to Finance Series) Essentials of Corporate Finance (Mcgraw-Hill/Irwin Series in Finance, Insurance, and Real Estate) Entrepreneurial Finance, Third Edition: Finance and Business Strategies for the Serious Entrepreneur