

## Preface

**Don Chance** Those familiar with previous editions of this book will immediately notice that the 7th edition has a new co-author. I am proud to introduce Professor Robert Brooks, SouthTrust Professor of Financial Management at the University of Alabama, as my new co-author. I have known Bob for many years and have watched his career unfold. He is an experienced researcher, teacher, and consultant with an excellent blend of academic and practitioner views. Over the years I have come to realize that he and I think alike, a critical quality for good collaboration. Bob has brought many new ideas to the book, and I think you will see his influence reflected in the significant improvements to this new version. Although Bob has taken over many of the detailed tasks in authoring the book, I remain involved in establishing the overall direction of the book. It is our long-term commitment to keep this book current, to retain its emphasis on a blend of the practical and academic sides of derivatives, and to make it highly readable.

One of the other changes to the 7th edition is that what you are reading—the preface—is much shorter. In previous editions, the preface was quite lengthy. It contained an overview of the book, identified significant changes in the new edition, and provided information on the ancillaries provided with the book. Over the years I have come to learn that most people do not read the preface (*ok, you are clearly the exception*), so a great deal of important information was overlooked. Hence, we have moved much of this material to the first chapter.

Before turning this preface over to Bob, let me take this opportunity to thank my wife Jan and my daughters Kim and Ashley. This book was started in 1986, when we were all much younger. Their support over the years has been an indirect but invaluable contribution to this book.

**Robert Brooks** As a professor focused primarily on financial derivatives and risk management, I welcome the opportunity to participate in this book. The first six editions of Don's book have been excellent. It is a privilege to collaborate with Don on such a successful book and to work closely with such a talented writer. My goal is to contribute to helping students make financial derivatives theory work in practice. The financial derivatives and risk management subject area is a rapidly growing field that gives those who learn to navigate its complexities the opportunity for a rewarding career.

My academic career began in 1986, the year this book started. Since starting my academic career, I have always been involved in consulting activities. These various consulting experiences, which include producing financial derivatives software solutions, providing fairness opinions on complex derivatives transactions, serving as an expert witness in legal disputes, implementing enterprise risk management solutions for various companies, and serving as a partner in a money management firm, have given me a unique ability to aid students in making the practical applications vital for succeeding in this field.

Let me also take this opportunity to thank my wife Ann and my children Joshua, Stephen, Paul, Rebekah, Phillips, and Rachael. They are a constant source of encouragement and are very supportive of my activities related to this book.

**Don and Bob** We would like to thank Mike Reynolds, Executive Editor, Finance, for his continuing support over the years; and Trish Taylor, our Senior Development Editor, for solving in a timely manner every problem that arose during the project—while simultaneously sprinkling her contagious good humor on everyone involved. Her influence on the quality of the book and in our ability to stay on schedule was invaluable. We would also like to thank Marketing Manager Jason Krall, to whose expertise we trust the future sales of the book; Marge Bril, our organized and detail-oriented Content Production Manager for the text (We understand that we are the very last book that Marge will be working on, and we wish her a happy retirement!); and Brittney Corrigan-McElroy of Interactive Composition Corporation, whose flexibility was much appreciated.

Also, we would like to thank all those people who reviewed the 6th edition to make the 7th edition even stronger:

Christopher Stiver, University of Georgia

M. E. Ellis, St. John's University

John Kensinger, University of North Texas

Sam Mohenty, Texas Tech University

Don Pantone, University of Texas at Arlington

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Joe McCarthy, Bryant University

A special thanks is due to Mike Hemler of Notre Dame University for a detailed, thorough review of the text and ancillaries.

Also, we would like to thank all of the people over the years who have both taught from this book and learned from it. They have, all along, generously provided constructive comments and corrections. After twenty years, this list of names is too long to print without leaving someone out. So to all of you unnamed heroes, we express our thanks.

We always used to feel that the errors in a book should, through attrition over the years, disappear. We have learned otherwise. Although no one wants errors to remain, if you ever find a book in its seventh edition without any errors, you can be assured that the author is simply correcting old material and not keeping the book up-to-date. With a field as dynamic as derivatives, extensive changes are inevitable. Despite Herculean efforts to cleanse this work, there are surely some errors remaining. We feel fairly confident, however, that they are not errors of fact, but merely accidental oversights and perhaps typos that just did not get caught as we read and re-read the material. Unlike most authors, who we think would rather hide known errors, we maintain a list of such errors on this book's Web site. (That's [www.thomsonedu.com/finance/chance](http://www.thomsonedu.com/finance/chance) for the general site that links you to the error page.) If you see something that does not make sense, check the Web address mentioned above and see if it's there. If not, then send us an email by using the *Talk to Us* form on the book's Web site.

Or just send us an email anyway, whether or not you are students or faculty. Tell us what you like or don't like about the book. We would love to hear from you.

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