HOMEWORK #5

PLEASE WRITE YOUR FULL NAME AND THEN SUBMIT YOUR HOMEWORK

Name:

ANSWERS

Problem 13.7

Calculate the Call and Put Premiums using the information below



d1 =	-0.454
d2 =	-0.754
N(d1) =	0.325
N(d2) =	0.226

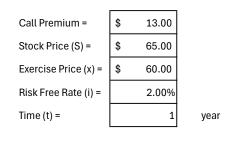


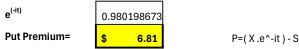
ln(S/X)	(i-δ+σ^2/2).t	σ√t
-0.19105524	0.055	0.3

e^-it	e^-δt
0.990049834	1

Problem 13.8

Use Put-Call Parity method to calculate the Put Option premium





P=(X.e^-it)-S+C