**MIDTERM EXAM – FUTURES & OPTIONS**

**SECTION I – Basic Options**

Input: Action, Exercise Price, Premium, Stock Price for Calls, Puts and Straddles

Output: Payoff, Profit, HPR%, Break Even Stock

Example: Homework #1



**SECTION II – Basic Strategy Options**

Input: Strategy (Protective Puts, Covered Calls, Collars)

Output: Profit and HPR%

Homework #2



**SECTION III – Advanced Strategy Options**

Input: Bull, Bear and Butterfly Spreads

Output: Payoff, Profit

Example: Homework #3



**SECTION IV – Option Valuation**

Input: Stock Price, Exercise Price, Up and Down Factors, Standard Deviation, Risk Free Rate, Dividend Yield or $

Output: Find Call and Put option premiums using BOPM, Black-Scholes, Put/Call Parity models.

 Example: Homework 4 & 5



