

GROUP E – MONTE CARLO PRICING METHODS

1. Answers to questions in write-up.

Group E – Excel Visualization

- a) *Compile and run the sample programs `TestSingleCurve.cpp`, `TestTwoCurve.cpp` and `TestMultipleCurve.cpp`. Make sure that everything compiles and that you get Excel output.*

Output from all three sample programs above is saved in the DOCUMENTATION\Group E folder

- b) *We now wish to compute option price for a monotonically increasing range of underlying values of S , for example 10, 11, 12, ..., 50. To this end, the output will be a vector and this exercise entails calling the exact option pricing formulae) for each value S and each computed option price will be stored in a `std::vector<double>` object. It will be useful to write a global function that produces a mesh array of double separated by a mesh size h . Print the output in Excel.*

- Working Excel code is saved in the CODE\Group E folder
- The following files have been saved in the DOCUMENTATION\Group E folder:
 - One Curve Output Using Mesher.xls – meant to represent a mesh using the `TestSingleCurve.cpp` file. I ran a mesh on the call option from batch 1
 - Two Curve Output Using Mesher.xls – meant to represent a mesh using the `TestTwoCurve.cpp` file. I ran a mesh on both the call and put option from batch 2.