

# CRR Model in R

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## Cox-Ross-Rubenstein Model

This R function only takes time steps up to (but not including) 270.

Below are the variables to adjust, then the function output. Helper functions and the CRR put and call model functions are hidden in the Rmd file.

### Variables

```
S = 100    # initial stock value
K = 100    # strike price
nR = .05   # period r
sigma = .2 # volatility
t = .5     # time to expiry
N = 2      # number of time steps

r = adjR(.05,N) # adjusting period r to time step r
```

### Output

```
## Call Price:  5.39735229966977
```

```
## Put Price:  4.21410621639727
```