```
   Help
#include  "cir1d_stdi.h"

static double A,B,h;

/*Zero Coupon Bond*/
static double A_f(double time,double k,double h,double si
    gma,double theta)
{
  return pow(h*exp(0.5*(k+h)*(time))/(h+0.5*(k+h)*(exp(h*(
    time))-1.)),2.*k*theta/SQR(sigma));
}

static double B_f(double time,double k,double h,double si
    gma,double theta)
{
  return (exp(h*(time))-1.)/(h+0.5*(k+h)*(exp(h*(time))-1.)
    );
}

static double zcb_cir1d(double r0,double k, double t,
    double sigma,double theta,double T)
{

  h=sqrt(SQR(k)+2.*SQR(sigma));
  B=B_f(T-t,k,h,sigma,theta);
  A=A_f(T-t,k,h,sigma,theta);

  return A*exp(-B*r0);
}

/*Call Option*/
static int zbc_cir1d(double r, double k,double t, double si
    gma,double theta, double S, double T,NumFunc_1 *p,double *
    price,double *delta)
{
  double K;
  double PtS,PtT,ATS,BTS;
  double p1,p2,p3,k1,k2,k3,psi,phi,rb;

  /*P(t,S)*/
```

```
  PtS=zcb_cir1d(r,k,t,sigma,theta,S);
  BTS=B_f(S-T,k,h,sigma,theta);
  ATS=A_f(S-T,k,h,sigma,theta);

  /*P(t,T)*/
  PtT=zcb_cir1d(r,k,t,sigma,theta,T);

  /*X^2 parameters*/
  K=p->Par[0].Val.V_DOUBLE;
  rb=log(ATS/K)/BTS;
  h=2.*h;
  phi=2.*h/(SQR(sigma)*(exp(h*(T-t))-1.));
  psi=(k+h)/SQR(sigma);
  p1=2.*rb*(phi+psi+BTS);
  p2=4.*k*theta/SQR(sigma);
  p3=(2.*SQR(phi)*r*exp(h*(T-t)))/(phi+psi+BTS);
  k1=2.*rb*(phi+psi);
  k2=p2;
  k3=(2.*SQR(phi)*r*exp(h*(T-t)))/(phi+psi);

  /*Price*/
  *price=PtS*pnl_cdfchi2n(p1,p2,p3)-K*PtT*pnl_cdfchi2n(k1,
    k2,k3);

  /*Delta*/
  *delta=pnl_cdfchi2n(p1,p2,p3);

  return OK;
}

int CALC(CF_ZCCallBondEuro)(void *Opt,void *Mod,Pricing
    Method *Met)
{
  TYPEOPT* ptOpt=(TYPEOPT*)Opt;
  TYPEMOD* ptMod=(TYPEMOD*)Mod;


  return zbc_cir1d(ptMod->r0.Val.V_PDOUBLE,ptMod->k.Val.V_
    DOUBLE,ptMod->T.Val.V_DATE,ptMod->Sigma.Val.V_PDOUBLE,
       ptMod->theta.Val.V_PDOUBLE,ptOpt->BMaturity.Val.V_
    DATE,ptOpt->OMaturity.Val.V_DATE,ptOpt->PayOff.Val.V_
```

```
    NUMFUNC_1,
       &(Met->Res[0].Val.V_DOUBLE),&(Met->Res[1].Val.V_
    DOUBLE));
}


static int CHK_OPT(CF_ZCCallBondEuro)(void *Opt, void *Mod)
{
  return strcmp( ((Option*)Opt)->Name,"ZeroCouponCallBondEu
    ro");
}

static int MET(Init)(PricingMethod *Met,Option *Opt)
{
  if ( Met->init == 0)
    {
      Met->init=1;
    }

  return OK;
}

PricingMethod MET(CF_ZCCallBondEuro)=
{
  "CF_Cir1d_ZBCallEuro",
  {{" ",PREMIA_NULLTYPE,{0},FORBID}},
  CALC(CF_ZCCallBondEuro),
  {{"Price",DOUBLE,{100},FORBID},{"Delta",DOUBLE,{100},FORB
    ID} ,{" ",PREMIA_NULLTYPE,{0},FORBID}},
  CHK_OPT(CF_ZCCallBondEuro),
  CHK_ok,
  MET(Init)
} ;
```

References