Random Walk I - Solution

# Question (20-word explanation):

The task involves generating a random walk, converting it to price series with cumulative product, and plotting.

# Answer (20-word explanation):

The code simulates a random walk, applies cumulative product for price evolution, multiplies by 1000, and visualizes.

# Full Code Solution:

from numpy.random import normal, seed  
import pandas as pd  
import matplotlib.pyplot as plt  
  
# Set seed here  
seed(42)  
  
# Create random\_walk  
random\_walk = normal(loc=.001, scale=0.01, size=2500)  
  
# Convert random\_walk to pd.series  
random\_walk = pd.Series(random\_walk)  
  
# Create random\_prices  
random\_prices = random\_walk.add(1).cumprod()  
  
# Plot random\_prices here  
random\_prices.mul(1000).plot()  
plt.show();