Lecture 1:

Evaluation:

* 20% per assignment (3 assignments)
* Exam 40% score of 5 or higher

Asiignment guidelines:  
  
self contained, well structured report (5-10 pages)

Assignment 1:

* + Part 1: 20
  + Part 2: 50%
  + Part 3: 30%

Basic concepts:

Exam question: why American and European option is same price because it is not good to excise American option early

Exam question: put call parity (also good to test implementation) -> model need to produce put call parity.