**QUIZ 2**

Submit your m code with three sections – i,ii,iii

1. The stock follows the GBM as where . And, the risk free rate is 3% (annualized continuously compounded yield). S\_0(today’s price) is 100. We consider T=2.
   1. Find the price of call option with T=2, K=120
      1. With simulation using dW = \sqrt(dt) or -\sqrt(dt) with equal probability
      2. With simulation using dW = N(0,dt)
      3. With BS formula