**Project 6**

MGMTMFE 405

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Question 1.

Call option price as function of volatility:



2. Put option price as function of volatility:



Question 2.

**Value = 4765.49**

**Expected default = 0.9538**

**Expected default time 12.7435 month**

(a)

𝜆1 = 0.2 𝜆2 = 0.4



(b)

𝜆1 = 0.2 𝜆2 = 0.4



(c)

𝜆1 = 0.2 𝜆2 = 0.4

