**Answers of Group F**

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Here is comparison between FDM numeric price and exact price:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Numeric Price** | **Exact Price** | **Difference** |
| **Batch 1** | 5.842068283 | 5.84628 | 0.004211717 |
| **Batch 2** | 7.963210858 | 7.96557 | 0.002359142 |
| **Batch 3** | 4.071284536 | 4.07326 | 0.001975464 |
| **Batch 4** | 65535 | 1.2475 | 65533.7525 |

To conclude, FDM works well in batch 1-3, producing a numeric price quite accuracy. Therefore, we can save much time by using FDM instead of waiting for Monte Carlo to simulate in terms of these kind of options with simple constructure.

For batch 4, I’m sorry that I failed to get it right after trying several parameters. I suppose that the problem are caused by the significant longer expiry date than the first three batches.