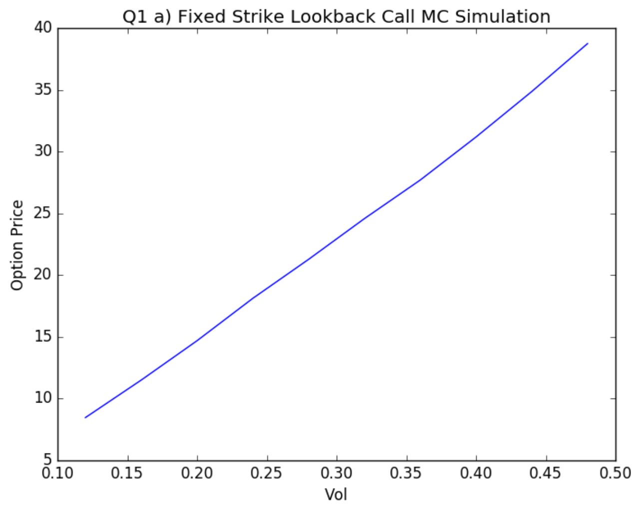
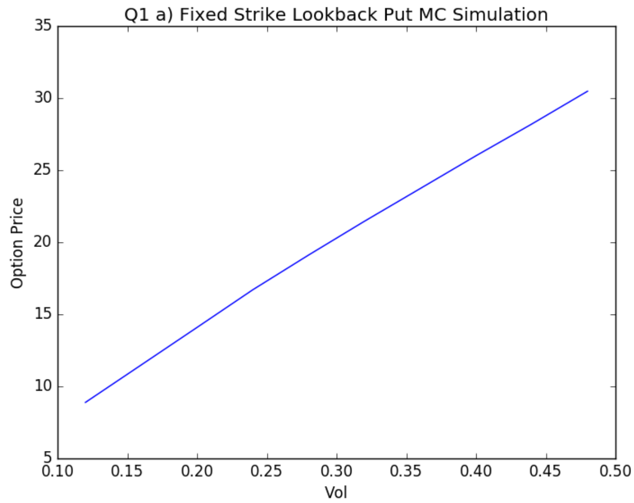
Project 6 by
Ashwin Kumar Ashok Kumar

Q1.a) Fixed Strike Look-back Call



Q1.b) Fixed Strike Look-back Put



Q2. Sol for base case

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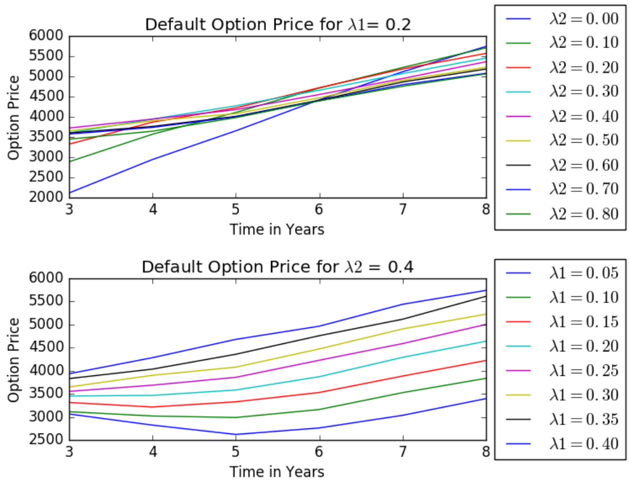
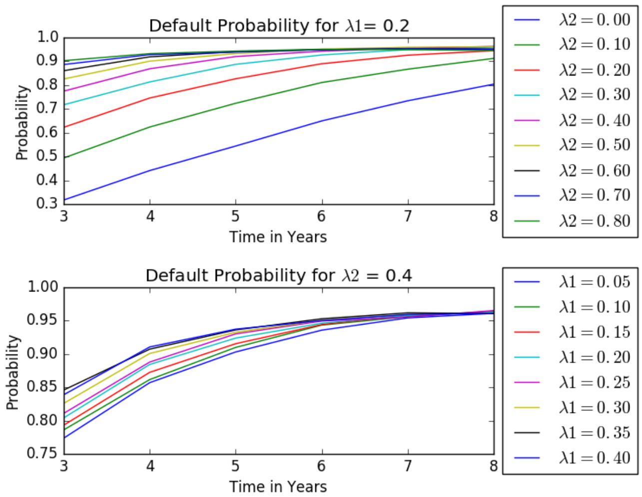
/Users/akumar/anaconda/bin/python /Users/akumar/Python/com/ashwin/computationalmethodsinfinance/Project6/Q2.py
Q1. a) Default Option Prices with T = 5 , lambda1 = 0.2, lambda2 = 0.4  = 4078.046758
Q1. b) Default Probability  with T = 5 , lambda1 = 0.2, lambda2 = 0.4  = 0.936600
Q1. c) Expected Exercise Time  with T = 5 , lambda1 = 0.2, lambda2 = 0.4  = 1.196259

Process finished with exit code 0
```

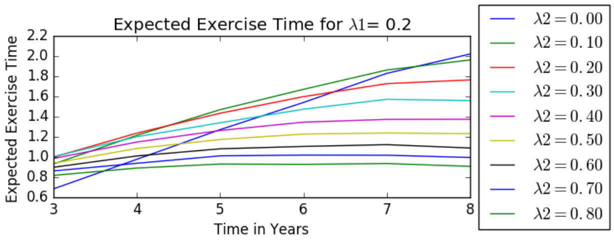
Graph a) Default Option Prices



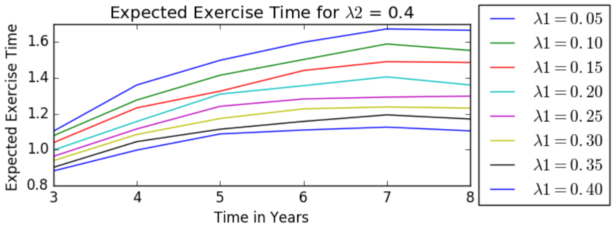
Graph b) Default probability



Graph c) Expected exercise times



Expected Exercise Time for $\lambda1$= 0.2
Expected Exercise Time
Time in Years
$\lambda2=0.00$
$\lambda2=0.10$
$\lambda2=0.20$
$\lambda2=0.30$
$\lambda2=0.40$
$\lambda2=0.50$
$\lambda2=0.60$
$\lambda2=0.70$
$\lambda2=0.80$



Expected Exercise Time for $\lambda2$ = 0.4
Expected Exercise Time
Time in Years
$\lambda1=0.05$
$\lambda1=0.10$
$\lambda1=0.15$
$\lambda1=0.20$
$\lambda1=0.25$
$\lambda1=0.30$
$\lambda1=0.35$
$\lambda1=0.40$