

Financial Mathematics

MATH 5870/6870¹
Fall 2021

Le Chen

lzc0090@auburn.edu

Last updated on
August 15, 2021

Auburn University
Auburn AL

¹Based on Robert L. McDonald's *Derivatives Markets*, 3rd Ed, Pearson, 2013.

Chapter 9. Parity and other option relationships

Chapter 9. Parity and other option relationships

§ 9.1 Put-call parity

§ 9.2 Generalized parity and exchange options

§ 9.3 Comparing options with respect to style, maturity, and strike

§ 9.4 Problems

Chapter 9. Parity and other option relationships

§ 9.1 Put-call parity

§ 9.2 Generalized parity and exchange options

§ 9.3 Comparing options with respect to style, maturity, and strike

§ 9.4 Problems

Generalize the parity to apply to the case where the strike asset is not necessarily cash but could be any other asset.

We will skip this section and leave it for motivated students.