

Financial Mathematics

MATH 5870/6870¹
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¹Based on Robert L. McDonald's *Derivatives Markets*, 3rd Ed, Pearson, 2013.

Chapter 19. Monte Carlo Valuation

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§ 19.1 Computing the option price as a discounted expected value

§ 19.2 Computing random numbers

§ 19.3 Simulating lognormal stock prices

§ 19.4 Monte Carlo valuation

§ 19.5 Efficient Monte Carlo valuation

§ 19.6 Valuation of American options

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This section will be skipped for the interested students.