

Financial Mathematics

MATH 5870/6870¹
Fall 2021

Le Chen

lzc0090@auburn.edu

Last updated on
August 6, 2021

Auburn University
Auburn AL

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

Chapter 3. Insurance, Collars, and Other Strategies

Chapter 3. Insurance, Collars, and Other Strategies

§ 3.1 Basic insurance strategies

§ 3.2 Put-call parity

§ 3.3 Spreads and collars

§ 3.4 Speculating on volatility

§ 3.5 Problems