**BLACK SCHOLES CALL PRICE**

Current Stock Price, S = $40

Option striking price, K = $45

Time until option exercise, t = 4 months = 4/12 = 1/3 = 0.333 years

Risk-free interest rate, r = 3%/year = 0.03

Standard deviation, s = 40%/year = 0.4

Black-Scholes Call Price, C =