Homework 3

Group Member: Yingshan He (yh29)   Shixue Feng (shixuef2)

1.(a) Price of ABC call option = 5.85858908627274

Price of ABC put option = 4.60529379607787

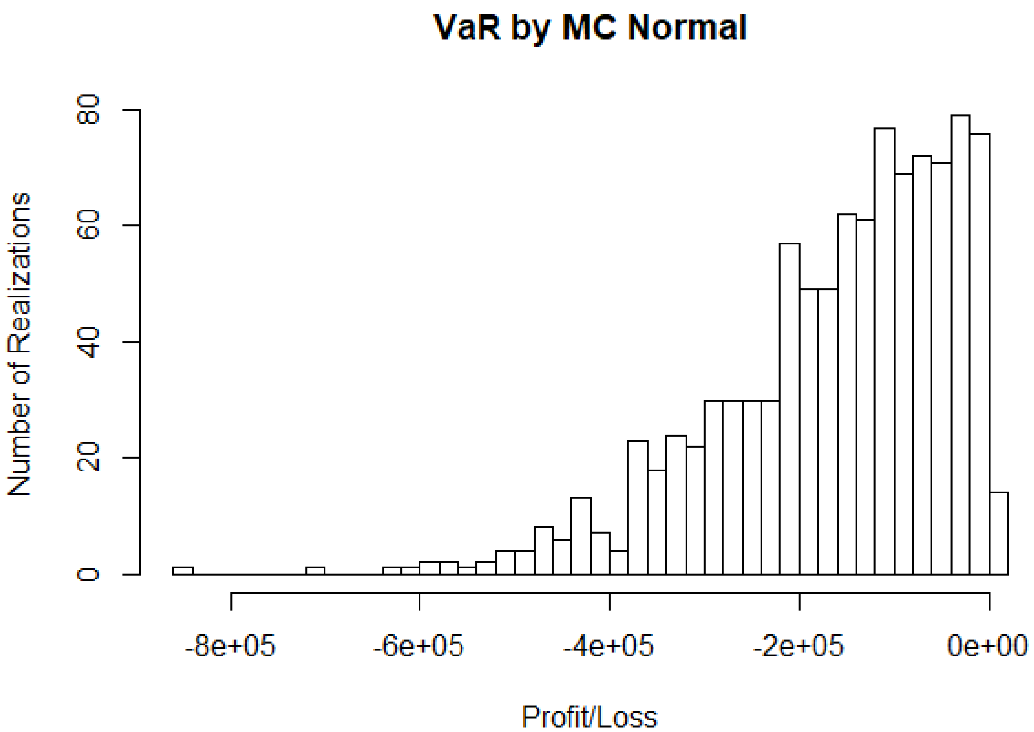
Price of ABC call option = 5.92023255942269

Price of DEF put option = 6.82528962413029

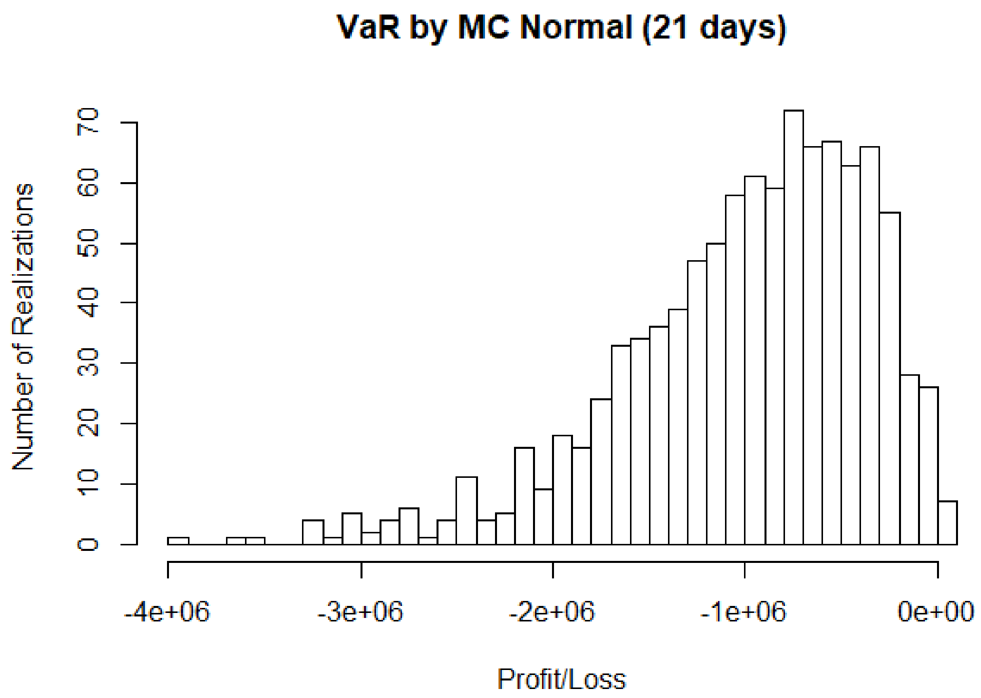
Value of the portfolio = -113765.386028316

(b) Estimate of 1% VaR = 525439.5

(c)



2. Estimate of 1% VaR for 21 days = 3049707



3.(a) Estimate of 1% VaR by t-distribution = 911786.3

(b)