

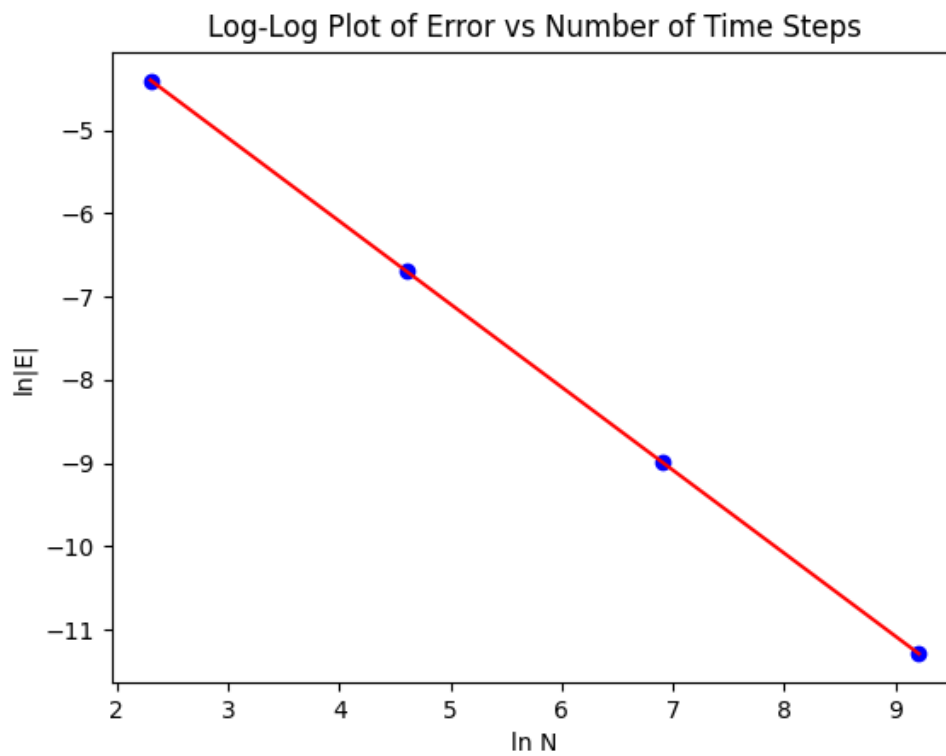
(a) Prices using Binomial Tree method are displayed in the table in (c) part.

(b) Price using Black-Scholes: 0.5224453276436325

(c) Table:

Number of Timesteps	Binomial Tree Solution	E
10	0.510182	0.0122635
100	0.521203	0.0012422
1000	0.522321	0.0001244
10000	0.522433	0.0000124

(d) The least squares line is: $\ln|E| = -0.9981 \ln N + -2.0992$



(e) The convergence rate of the Binomial Tree method is: 0.9981