1. Prices using Binomial Tree method are displayed in the table in (c) part.
2. Price using Black-Scholes: 0.5224453276436325
3. 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 |

1. The least squares line is: ln|E| = -0.9981 lnN + -2.0992

A screen shot of a graph

Description automatically generated

1. The convergence rate of the Binomial Tree method is: 0.9981