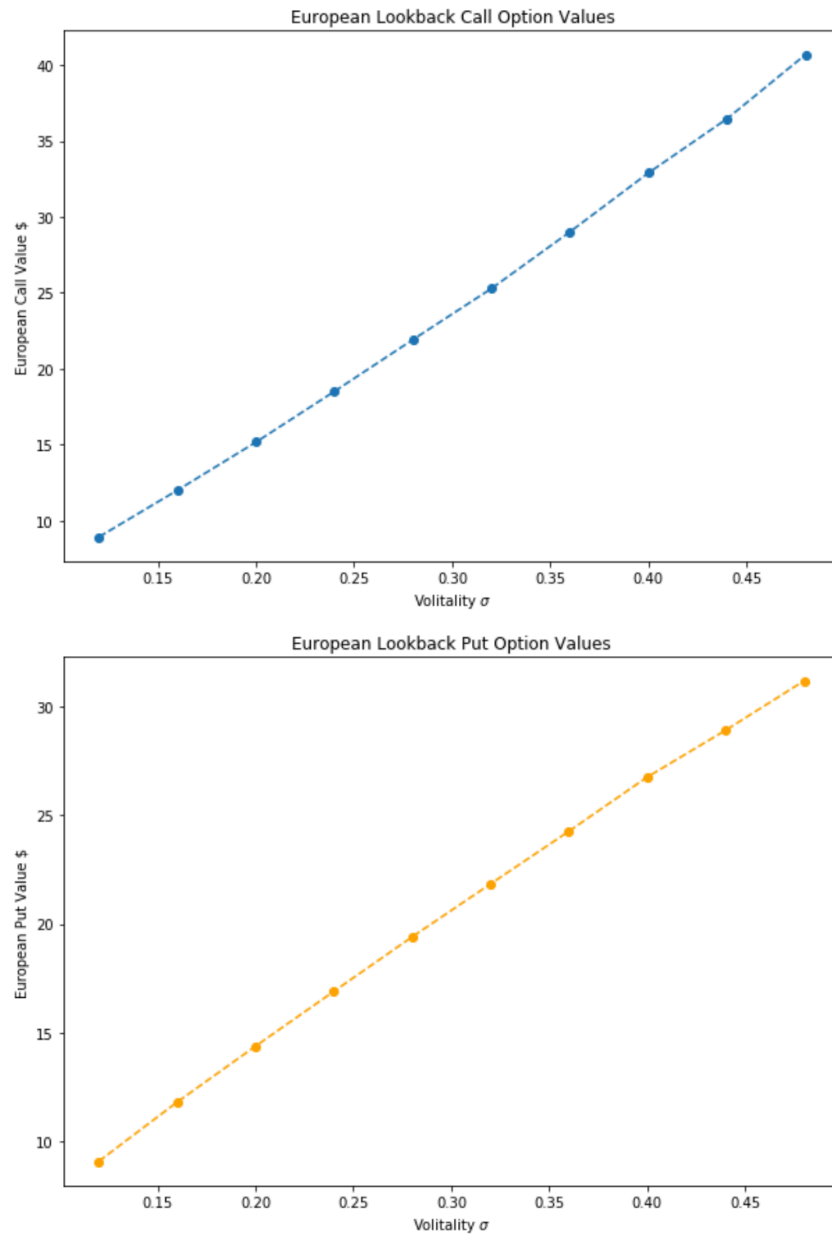


MFE405 Project 6

Heyu Zhang

Problem 1.

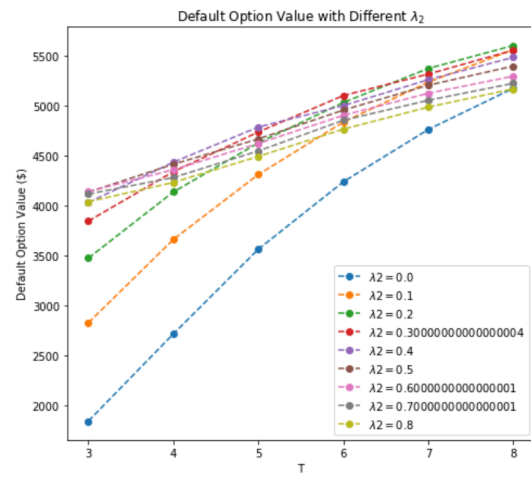
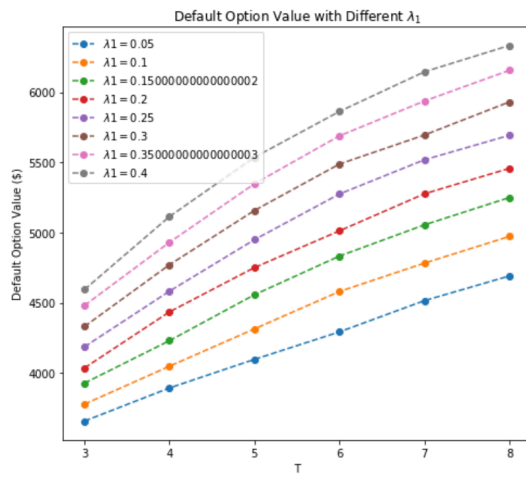


Problem 2

When $\lambda_1=0.2$, $\lambda_2=0.4$ and $T=5$

Values	
Option Value	4751.3821
Default Probability	0.9507
Expected Exercise Time	1.1202

(a)



(b)

