## HW 5

5.1 Description | Payment | Change Ownership | Payment Amount ------------------------- | --------- | ------------------ | --------------- Outright Sale | 0 | 0 | S\_0 at time 0 Loan Sale & Security Sale | T | 0 | S\_0e^rT at time T Prepaid Forward | 0 | T | ? Forward | T | T | ? x e^rT

5.2

$$
a. 50 - ((1\*e^{-.015\*1})+(1\*e^{-.015\*2})+(1\*e^{-.015\*3})+(1\*e^{-.015\*4})) = $46.15
$$

$$
b. 46.15\*e^{.06\*1} = $49.00
$$

5.3