Series 8

Introduction to Computational Finance

Return no later than April 28th, 2020 at 8:00

Minority Game

Implement a Minority Game.

Draw the curve describing how the variance σ^2/N of the participation A depends on the parameter $\alpha = 2^M/N$. Here N denotes the number of agents and M the length of the historical window taken into consideration by an agent.

When $S = 2$ (S being the number of strategies), what is the critical value α_c for which σ^2/N reaches a minimum ?

Report

Each student is expected to give back a personal work consisting of a report in PDF format presenting his/her results and answering the questions of the exercise, as well as the script used to generate the presented results. Both report and script have to be uploaded on Moodle (IFC/Series8).