

M339D: Topics for the Final Exam

☐ Purchasing shares of stock.

☐ Short sales.

☐ The expected value and the volatility of a portfolio.

☐ Diversification.

☐ Effect of correlation.

☐ Sharpe ratio.

☐ Required returns.

☐ CAPM.

☐ Betas of stocks and portfolios.

☐ Alphas of stocks.

☐ Forward contracts.

☐ European call options.

☐ European put options.

☐ Moneyness.

☐ Derivative securities.

☐ Arbitrage portfolios.

☐ Replicating portfolios.

☐ Put-call parity.

☐ Straddles.

☐ The binomial asset-pricing model.

☐ The replicating portfolio: the Δ .

☐ The replicating portfolio: the risk-free component.

☐ Risk-neutral pricing.

☐ Binomial pricing: European options.

☐ Lognormal stock prices: Mean and median.

☐ Black-Scholes pricing: Calls.

☐ Black-Scholes pricing: Puts.

☐ Focus on the Δ .

☐ Δ -hedging.
