

M339D: Topics for In-Term Two

☐ The binomial asset-pricing model.

☐ Forward trees.

☐ Binomial option pricing.

☐ Straddles.

☐ The normal distribution.

☐ The normal approximation to the binomial.

☐ Realized returns.

☐ The log-normal distribution.

☐ Log-normal stock prices: mean and median.

☐ Log-normal stock prices: Tail probabilities.

☐ Log-normal stock prices: Partial expectation.

☐ The Black-Scholes pricing formula: Calls and puts.

☐ Forward-start options. Rolling insurance strategy.
