文本, 信件

描述已自动生成

1. A stock whose price is $30 has an expected return of 9% and a volatility of 20%. In Excel, simulate the stock price path over 5 years using monthly time steps and random samples from a normal distribution. Chart the simulated stock price path. By hitting F9, observe how the path changes as the random samples change.

图形用户界面, 文本

描述已自动生成

1. Derive the distribution of the continuous compounded rate of return. (Hint: ST=S0\*erT)

5.(Extra)

图形用户界面, 应用程序

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Hint: the price of the zero-coupon bond B with the continuous compounding annual interest rate of $1 is: B = interest/ =1\*e-x(T-t)=e-x(T-t)