**Week 3 Seminar Solutions**

1.

文本

描述已自动生成

Equation (15.16) is the BSM differential equation.

Solution:

文本, 信件

描述已自动生成

(15.3) is the distribution of the log value of stock price. It can be found on page 12 in lecture notes Week 2 Mathematical Model II.

2. Show that the Black–Scholes–Merton formulas for call and put options satisfy put–call parity.

Solution:

And

Since ,

3. What is the price of a European put option on a non-dividend-paying stock when the stock price is $69, the strike price is $70, the risk-free interest rate is 5% per annum, the volatility is 35% per annum, and the time to maturity is 6 months?

Solution:

文本, 信件

描述已自动生成

4. (Extra) 文本, 信件

描述已自动生成

Solution:

图片包含 表格

描述已自动生成

图示

中度可信度描述已自动生成

文本

描述已自动生成

文本, 信件

描述已自动生成