**SPRING 2016 – MGMT 237I - Financial Risk Management**

**Problem Set 3**

Due Date: **5.17.2016**

Book Problems: 9.20, 13.17 not (d), 14.17, 14.18, 14.21

**Optional Case – The case will NOT be counted towards the grade for Problem Set 3.**

**It is recommended for everyone to complete the case.**

**If you got less than 60% in the midterm, completing this case correctly will get you the 60% grade.**

Answer the questions on the Orange County case by Philippe Jorion, not including part 4 on hedging. The case is found at: http://merage.uci.edu/~jorion/oc/case.html