Quiz 3

- Due Feb 1 at 11:59pm
- Points 15
- Questions 3
- Available Jan 30 at 12pm - Feb 1 at 11:59pm
- Time Limit 15 Minutes

This quiz is no longer available as the course has been concluded.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	9 minutes	15 out of 15

Score for this quiz: 15 out of 15

Submitted Jan 31 at 6:27pm

This attempt took 9 minutes.

Correct answer

Question 1

5 / 5 pts

- The following data is given
- c=15, p = 8, S = 200, K = 200, r=3%, T = 1.
- Is there an arbitrage possible?
- If yes, what is the arbitrage strategy?

a. short call, short put and long forward contract

b. short call, long put and long forward contract

c. short call, long put and short forward contract

d. long call, short put and short forward contract

- ○ c
- ○ d
- ◉ b

a

Correct answer

Question 2

5 / 5 pts

- A stock is at \$300. A 6-month European put option on the stock with strike price of \$310 is trading at \$16. The risk free rate is 4%.
- What should be the price of a 6-month European call option with strike price of \$310?

10.21

12.13

15.56

22.21

Correct answer

Question 3

5 / 5 pts

A stock is trading at \$120, the risk free rate is 5%. A 2-year call option has a strike price of \$125. The price of the call option must be at least

a. \$18.14

b. \$120

c. \$6.89

d. \$12.92

b

c

d

a

Quiz Score: 15 out of 15