Math 454 - Spring 2021 - Homework 08

Published: Saturday, April 3, 2021

Status - Reading Assignments:

Here is the status of the reading assignments you were asked to complete by this date plus the material taught in class without assigned reading.

SCF2 (Shreve Textbook):
ch.1-4.5.2.

MF454 lecture notes:
ch.2 − 8.4 + most of ch.8.5

Other: • *Wiersema (optional - no internet PDF) p.130-135: one period binomial model*

New reading assignments:

Reading assignment 1 - due Monday, April 5:

- **a.** *Carefully read MF454 ch.8 in ver 2021-04-01. All of it since the only thing not yet discussed in lecture is the very last item, Example 8.2 (SCF2 Example 4.4.10 - Vasicek interest rate model).*
- **b.** *As soon as I publish the next edition: Carefully read whatever it may contain in a new ch.9 (Black–Scholes Model Part I: The PDE).*

Reading assignment 2 - due: Tuesday, April 8:

- **a.** *Carefully read SCF2 ch.4.5.3*

Reading assignment 3 - due: Wednesday, April 7:

- **a.** *Carefully read SCF2 ch.4.5.4*

Reading assignment 4 - due Friday, April 9:

- **a.** *Carefully read the remainder of SCF2 ch.4.5.*

Written assignments:

Do exercises 8.1 − 8.3 in MF454 ver 2021-04-03.

> ***General note on written assignments:*** *I will not collect those assignments for grading but doing them might be helpful for your quizzes and exams.*