

Math 454 - Spring 2021 - Homework 10

Published: Thursday, April 15, 2021

Status - Reading Assignments:

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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.1-5.2.4

MF454 lecture notes:
ch.2 – 9.3

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

New reading assignments:

Reading assignment 1 - due Monday, April 19:

- a. In case I add to MF ch.9 be sure to read those additions I plan to do so by late Saturday There may also be a new chapter 10 about multidimensional Itô calculus.
- b. Prepare for Monday's midterm.

Reading assignment 2 - due: Tuesday, April 8:

- a. Carefully read SCF2 ch.5.2.5. Try to establish connections to the binomial asset model (risk-neutral expectations of discounted contract value at time T to compute the pricing function).

Reading assignment 3 - due: Wednesday, April 7:

- a. Carefully read SCF2 ch.5.3.

Reading assignment 4 - due Friday, April 9:

- a. Carefully read SCF2 ch.5.4.1.

Written assignments: TBD – TBD – TBD – TBD – TBD – TBD – TBD – TBD

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