

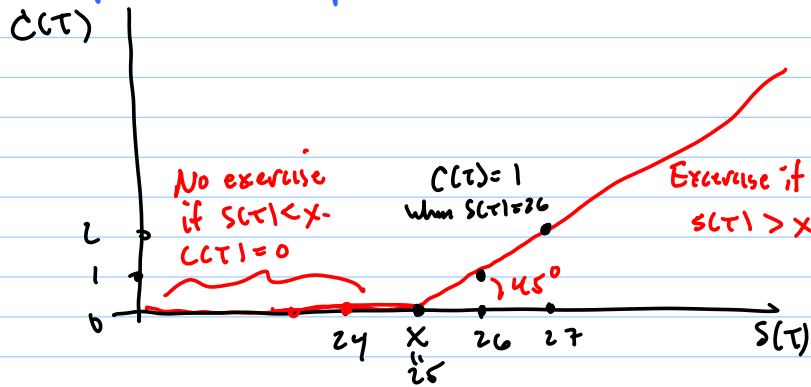
Exam 422 Lec 18

$$C(\tau) = \max\{0, S(\tau) - x\}$$

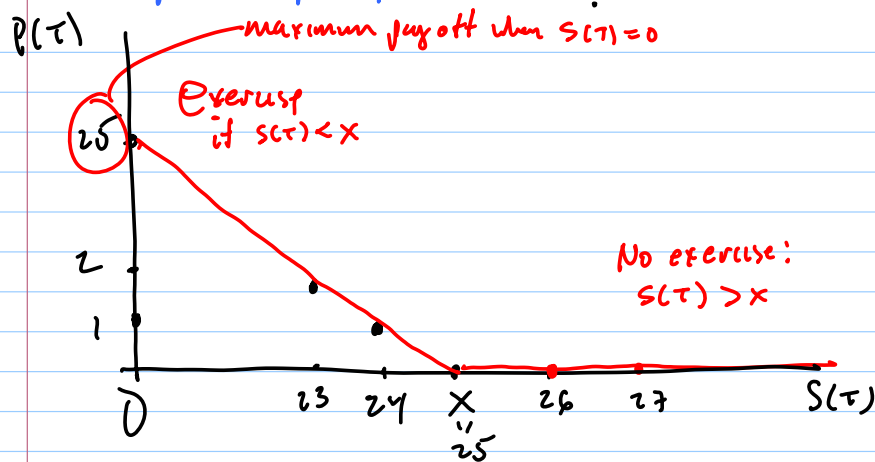
Note Title

8/17/2010

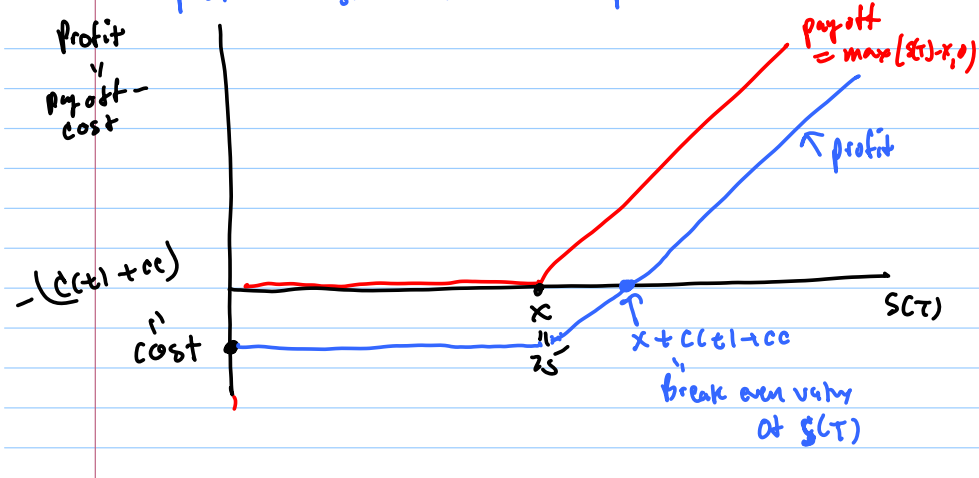
Payoff of Call Option at Maturity T



Payoff of put option at Maturity T



Profit Diagram for Call option



Profit for Put Option

