Key to 2:30 Quiz B: 3/26/12

Quiz: Set up the equations to calculate the overall profit or loss for each of the following option transactions if the strike price of all options equals $28 and AT&T's stock price ends up at $33 when the options expire on June 15, 2012. Note: if you do not show a sign, I will assume your number is positive.

a. Submit a market order to buy one call contract.
   \[ 100*( -3.60 - 28 + 33) \]

b. Submit a market order to sell one call contract.
   \[ 100*(3.35 - 33 + 28) \]

c. Submit a market order to buy one put contract.
   \[ -100*0.17 \]

d. Submit a market order to sell one put contract.
   \[ +100*0.16 \]