Assume that securities A through D provide risk-free payoffs as follows:

		Cash Flow in:		
Security	Price today	One Year	Two Years	Three Years
A	95.552	100	0	0
B	91.754	0	100	0
C	87.959	0	0	100
D	525.000	200	200	200

Assume that you determine that that arbitrage is possible because the price of D is too low.

a. What trades would allow you to take advantage of this arbitrage opportunity? Note: the trades should create an arbitrage profit for you.

b. What cash flows will your trades in part "a" generate today and at the end of each of the next 3 years?