

**Quiz B for 2:30 Class: 11/05/12**

Name \_\_\_\_\_

Assume the price per share for Toss'Em Inc. stock currently equals \$56 per share. Assume also that Toss'Em's stock price will increase by \$6 per share or drop by \$4 per share each of the next two years. Calculate the current price of a put on Toss'Em stock if the risk-free interest rate is 2.5% and the strike price on the put is \$60.

**Wall Street Journal Questions are on the back of this page.**