

1:25 Quiz A: 3/26/12

Name & Time _____

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 \$35 and Microsoft's stock price ends up at \$40 when the options expire on January 18, 2013. 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.
- b. Submit a market order to sell one call contract.
- c. Submit a market order to buy one put contract.
- d. Submit a market order to sell one put contract.

Note: Bonus WSJ Questions on back of page