

Spring 2013 Final - 1:00 A

P11

$$S+P = C + PV(K)$$

$$79.25 + 2.68 = 2.51 + \frac{80}{(1.00035)^{72/365}} \cdot 79.99$$

$$\underbrace{81.93}_{\text{buy}} \neq \underbrace{8.250}_{\text{sell}}$$

Trans	CF <sub>0</sub>	CF <sub>1</sub> (75)	CF <sub>1</sub> (90)
+4 Buy stock	-79.25 <sup>+4</sup>	+75 <sup>+4</sup>	<del>+90</del> +90 <sup>+4</sup>
+4 Buy put	-2.68 <sup>+4</sup>	+5 <sup>+4</sup>	0 <sup>+4</sup>
+4 Sell call	+2.51 <sup>+4</sup>	0 <sup>+4</sup>	-10 <sup>+4</sup>
+4 Short + r <sub>f</sub> bond	+79.99 <sup>+4</sup>	-80 <sup>+4</sup>	-80 <sup>+4</sup>
<u>Total</u>	<u>+0.57<sup>+4</sup></u>	<u>0</u>	<u>0</u>

+4/+3