

Spring 2013 Final - 1:00 B

P1) $S + P = C + PV(K)$

$$79.25 + 2.98 = 1.11 + \frac{80}{(1.00075)^{72/365}} \cdot 79.99$$

$82.23 \neq 81.10$

sell buy

Trans	CF ₀
+4 (Short stock)	+19.25
+4 (Sell put)	+2.98
+4 (Buy call)	-1.11
+4 (Buy rf bond)	-79.99
<u>Total</u>	<u>+1.13</u>

CF₁

CF ₁	CF ₁
70	85
-70	-85
-10	0
0	+5
+80	+80
0	0
+4/13	