Quiz A for 1:00 Class: 04/10/13 Name ____________________________

Assume that Accidental Petroleum's stock price currently equals $100 per share and that its stock price will rise 20% or fall 10% each of the next two years. If the risk-free interest rate is 2% per year, what is the value today of a put on Accidental with a strike price of $115 that expires in two years?

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