

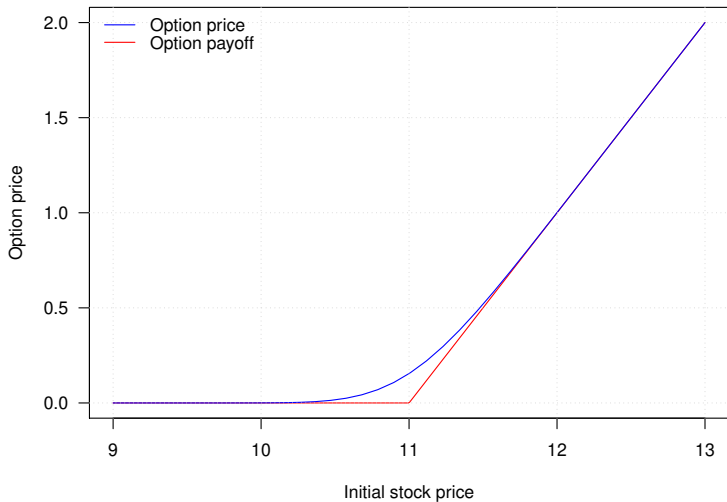


Mathematical Foundations for Finance

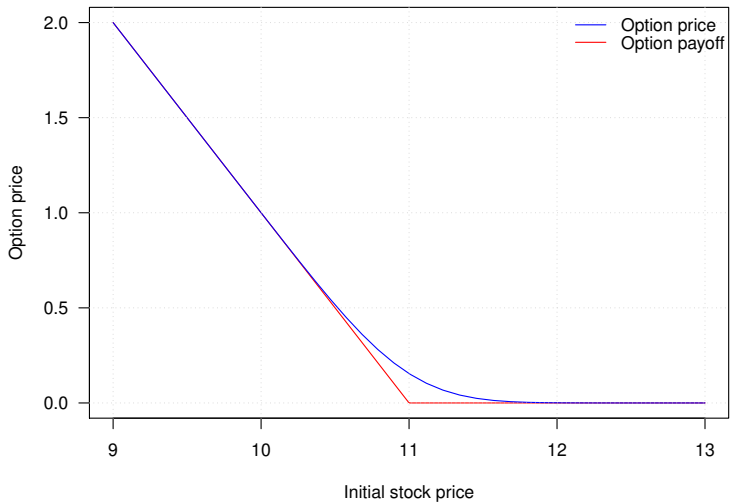
Exercise 6

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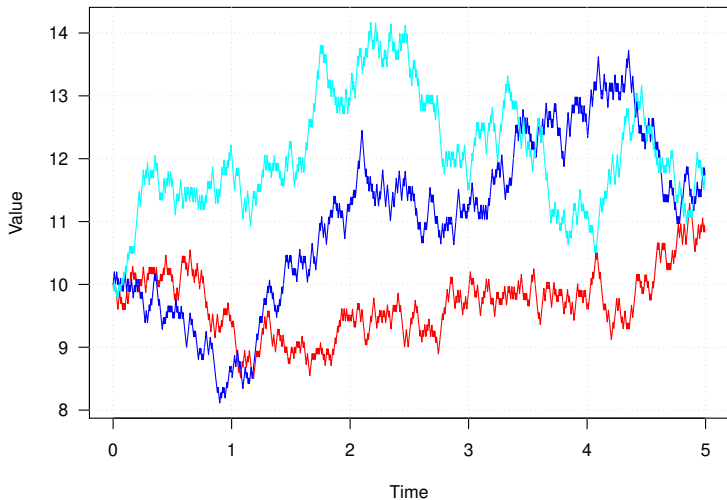
European Call Price in the Binomial Model



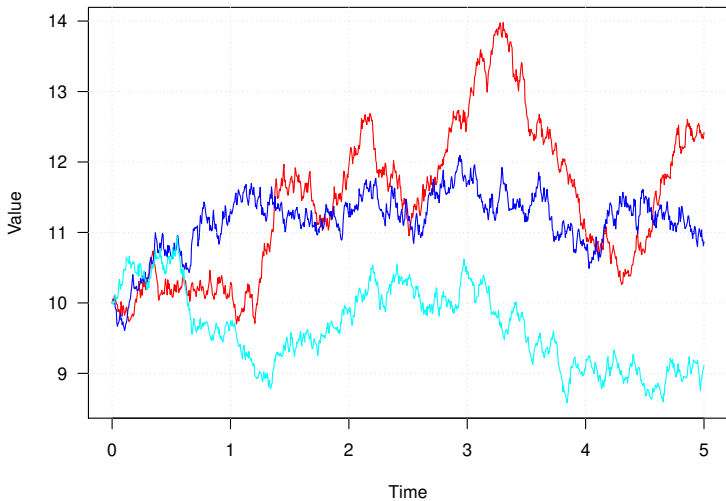
European Put Price in the Binomial Model



Paths in the Binomial Model for a Small Step Size



Paths in the Black–Scholes Model



Thank you for your attention!