Mathematical Finance
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Recall 10

Delta hedging in complete market

1. Can you give a result on how to replicate an option with payoff $g(S_T)$? Can you prove it?

Volatility model

1. What is the Dupire's PDE ? How do you get it ?

Itô-Tanaka-Meyer formula

1. What is a local time of an $(\mathbb{F}, \mathbb{P})$-good integrator ?
2. Can you state the Itô-Tanaka-Meyer formula ?