

Answers to Derivative Markets Module 1 Problems

- 1) -8
2) 68
3) 100
4) 90
5) 95
6) 9.116%
- 7) $F_{0,3} = 90.20$ & $\alpha = 1.98\%$
8) 0.5202%
9) 1.98%
10) 0.02
11) (a) cash-and-carry; 6.91
(b) Reverse cash-and-carry; 1.09
12) ~~650.00~~ 650.00
13) -2.92
14) (a) payoff = 0; profit = -4.67
(b) 2; -2.67
(c) 4; -3.76
(d) 0; -7.76
- 15) (a) payoff = -15; profit = -7.19
(b) -5; 2.81
(c) 0; 7.81
16) (a) payoff = 0; profit = 6.33
(b) -5; 1.33
(c) -15; -8.67
17) (a) payoff = -60; profit = -30.86
(b) -20; 9.14
(c) 0; 29.14
18) 3
19) (a) payoff = -60; profit = -8.5
(b) -58; -6.5
(c) 60; 8.5
(d) 58; 6.5
(e) 67; 1.85
(f) 60; -5.15
(g) -72; -6.85
(h) -60; 5.15
(i) -250; 7.50
(j) 210; 14.56
20) 70.82