Homework #1

**Problems**

* 1. . Calculate the payoff, profit/loss, and BE price of the stock:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Action** | **Option** | **Exercise Price** | **Premium** | **Stock Price** | **Payoff** | **Profit /Loss** | **BE Stock** |
| Buy | Call | 140.00 | 9.00 | 165.00 |  |  |  |
| Buy | Call | 62.00 | 5.00 | 59.00 |  |  |  |
| Buy | Put | 46.00 | 5.00 | 38.00 |  |  |  |
| Buy | Put | 66.00 | 9.00 | 66.00 |  |  |  |
| Sell | Put | 132.00 | 11.00 | 126.00 |  |  |  |
| Sell | Put | 127.00 | 9.00 | 128.00 |  |  |  |
| Sell | Call | 156.00 | 6.00 | 152.00 |  |  |  |
| Sell | Call | 143.00 | 8.00 | 145.00 |  |  |  |
| Sell | Straddle | 120.00 | 21.00 | 135.00 |  |  |  |
| Buy | Straddle | 95.00 | 13.00 | 125.00 |  |  |  |

ANSWER:

