OPTIONS AND MATHEMATICS (5p)
(CTH$[mve095]$**&GU**$[man690]$**) period 4, spring 2007**

MISPRINTS: OM 2007

page 5, row 2: replace "*that are guaranted to exist at time T*" by "*not containing any American options*"

page 5, row 1 from below: replace "$-Ke^{-\tau}$" by "$-Ke^{-r\tau}$"

page 6, row 7: replace "American option" by "American call option"

page 6, row 6 from below: replace "call option" by "European call option"

page 6, row 11: replace "$S(T) - K$" by "$S(t) - K$"

page 8, row 12 and row 13: replace "$\Pi_{g(S(T))}$" by "$\Pi_{g(S(T))}(t)$"

page 8, row 7 from below: replace "$B_f(t) = e^{rt}$" by "$B_f(t) = e^{r_f t}$"

page 12, row 10: replace "$Y_a = \max(0, \Pi_0^n \theta_i S(t_i) - K)$" by
"$Y_a = \max(0, \Sigma_0^n \theta_i S(t_i) - K)$"

page 31, row 6: replace "$R = \frac{S(T) - S(0)}{S(0)}$" by "$R = \frac{S(T) - S(0)}{S(T)}$"

page 36, row 19: replace "12" by "13"

page 37, row 6: replace "13" by "14"

page 39, row 5: replace "α_0, α_1, $\alpha_0 + \alpha_1$" by "$i\alpha_0$, $i\alpha_1$, $i(\alpha_0 + \alpha_1)$"

page 41, row 18: add "$\xi \in \mathbf{R}$"

page 42, row 8 from below: replace "that is" by "such that"

page 43, Exercise 17: add "$n \geq 2$"

page 58, row 4 from below: delete ".."

page 67, row 1 from below: replace "$u(t - \Delta t, x)$" by "$u(t, x - \Delta x)$"

page 73, row 7: replace "$+\sqrt{\tau}W_N$" by "$+\sigma\sqrt{\tau}W_N$"

page 78, row 4: replace "$h_B(t) = 1$" by "$h_B(t) = \frac{K}{B(T)}$"

page 88, row 12 from below: replace "$e^{-t\tau}$" by "$e^{-r\tau}$"

page 90, row 3 from below: replace "$e^{-t\tau}$" by "$e^{-r\tau}$"

pge 94, row 7 from below: replace "$)(t_n - t)\sigma\sqrt{}$" by "$..)(t_n - t) + \sigma\sqrt{}$"

page 100, row 5 from below: replace "$E\left[Z_1(t)\right]$" by "$E\left[Z_1^2(t)\right]$"

page 100, row 5 from below: replace "$a_{i1}^2 E\left[Z_2^2(t)\right]$" by "$a_{i2}^2 E\left[Z_2^2(t)\right]$"

page 101, row 5 from below: replace "$g(\lambda s_1, s_2)$" by "$g(\lambda s_1, \lambda s_2)$"

page 102, row 6 from below: replace '$se^{-\frac{\sigma^2}{2}\tau+\sigma_-\sqrt{\tau}G}$' by '$se^{-\frac{\sigma_-^2}{2}\tau+\sigma_-\sqrt{\tau}G}$'

page 105, row 8: replace "σ_S" by "σ_U"

page 110, row 14: replace

$$e^{-r\tau} E\left[g(s(1-\delta)se^{(r-\frac{\sigma^2}{2})\tau+\sigma\sqrt{\tau}G})\right]_{|s=S(t)}$$

by

$$e^{-r\tau} E\left[g((1-\delta)se^{(r-\frac{\sigma^2}{2})\tau+\sigma\sqrt{\tau}G})\right]_{|s=S(t)}$$

page 110, row 4 from below: replace

$$e^{-r\tau} E\left[g((s - De^{r(t-t^*)})e^{r\tau+\sigma\sqrt{\tau}G})\right]_{|s=S(t)}$$

by

$$e^{-r\tau} E\left[g((s - De^{r(t-t^*)})e^{(r-\frac{\sigma^2}{2})\tau+\sigma\sqrt{\tau}G})\right]_{|s=S(t)}$$