Homework 4: American Derivatives, Conditional Expectation

September 29, 2010

1. P115, Exercise 4.2 in Vol I. (Hint: the optimal exercise time $\tau^*$ is already known in Example 1 of Lecture 6 (see notes))
2. P115, Exercise 4.3 in Vol I.
3. P79, Exercise 2.7 in Vol II.