

## Assignment 31, due April 27

1. Exercise 12.21, 12.22.
2. For CSE60317 only: At the end of Chapter 12, the author mentions that if  $D_i \geq K(1 - e^{-r(t_{i+1}-t_i)})$  for all  $i < n$  and  $D_n \geq K(1 - e^{-r(T-t_n)})$  then a put option should never be exercised early. Show why?