

# Financial Mathematics

MATH 5870/6870<sup>1</sup>  
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Le Chen

lzc0090@auburn.edu

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Auburn University  
Auburn AL

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<sup>1</sup>Based on Robert L. McDonald's *Derivatives Markets*, 3rd Ed, Pearson, 2013.

## Chapter 19. Monte Carlo Valuation

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- § 19.1 Computing the option price as a discounted expected value
- § 19.2 Computing random numbers
- § 19.3 Simulating lognormal stock prices
- § 19.4 Monte Carlo valuation
- § 19.5 Efficient Monte Carlo valuation
- § 19.6 Valuation of American options
- § 19.7 The Poisson distribution
- § 19.8 Simulating jumps with the Poisson distribution
- § 19.9 Simulating correlated stock prices
- § 19.10 Problems

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Check out the `numpy.random` reference<sup>3</sup> :

`https://numpy.org/doc/1.16/reference/routines.random.html`

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<sup>3</sup>There is no need to build the wheels by ourselves.