Test #4 Equations
Finance 334

\[ FV = PV(1+i)^n \quad \text{and} \quad PV = \frac{FV}{(1+i)^n} \]

\[ FV_A = CF\left[\frac{(1+i)^n - 1}{i}\right] \quad \text{and} \quad PV_A = CF\left[\frac{1}{i} - \frac{1}{i(1+i)^n}\right] \]

\[ F_T = S(1 + r)^T \quad \text{and} \quad F_T = S(1 + r - d)^T \]

Number of Contracts = \( B_D - B_P \) \( x \frac{V_p}{V_F} \) \quad \text{and} \quad Number of Contracts = \( D_F xV_p \) \( D_F xV_F \)

\[ D_F = D_U + M_F \]

\[ C - P = S - K / (1 + r)^T \quad \text{and} \quad C - P = S - \text{Div} - K / (1 + r)^T \]

\[ C = Se^{-rT} N(d_1) - Ke^{-rT} N(d_2) \quad \text{and} \quad P = Ke^{-rT} N(-d_2) - Se^{-rT} N(-d_1) \]

\[ d_1 = \frac{\ln\left(\frac{S}{K}\right) + (r - y + \frac{\sigma^2}{2})T}{\sigma\sqrt{T}} \quad \text{and} \quad d_2 = d_1 - \sigma\sqrt{T} \]

Number of Option Contracts = \( \frac{Portfolio \beta \times Portfolio \ value}{Option \ delta \times Option \ contract \ value} \)