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Measures; 3.3.1 Why relative prices?
3.3.2 Risk-Neutral MeasureII First Applications; 4 Pricing of a European Stock Option under the Black-Scholes Model; 5 Excursus: The Density of the Underlying of a European Call Option; 6 Excursus: Interpolation of European Option Prices; 6.1 No-Arbitrage Conditions for Interpolated Prices; 6.2 Arbitrage Violations through Interpolation; 6.2.1 Example 1 : Interpolation of Four Prices; 6.2.2 Example 2: Interpolation of Two Prices; 6.3 Arbitrage- Free Interpolation of European Option Prices; 7 Hedging in Continuous and Discrete Time and the Greeks; 7.1 Introduction
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9.1.1 Fix, Floating, and Swap

Sommario/riassunto

A balanced introduction to the theoretical foundations and real-world applications of mathematical finance The ever-growing use of derivative products makes it essential for financial industry practitioners to have a solid understanding of derivative pricing. To cope with the growing complexity, narrowing margins, and shortening life-cycle of the individual derivative product, an efficient, yet modular, implementation of the pricing algorithms is necessary. Mathematical Finance is the first book to harmonize the theory, modeling, and implementation of today's most prevalent pri