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REPRESENTING EUROPEAN PUTS IN TERMS OF A BOUNDARY; 3. VARIOUS AMERICAN PUT REPRESENTATIONS; 4. SUMMARY AND EXTENSIONS; 5. APPENDIX; REFERENCES; 6. Market Manipulation, Bubbles, Corners, and Short Squeezes R. Jarrow; I. Introduction; II. The Model
III. The Market StructureIV. Paper Wealth, Real Wealth, and Market Manipulation Trading Strategies; V. The Existence of Market Manipulation Trading Strategies; VI. Sufficient Conditions for the Nonexistence of Market Manipulation Trading Strategies; VII. Infinite Trading Horizon Speculators; VIII. Conclusion; Appendix; References; 7. Derivative Security Markets, Market Manipulation, and Option Pricing Theory R. Jarrow; Abstract; I. Introduction; II. The Model; III. Market Manipulation Using the Derivative Security; IV. Synchronous Markets; V. A Theory for Option Pricing; VI. Conclusion
AppendixReferences; 8. Liquidity Risk and Arbitrage Pricing Theory U. Oetin, R. Jarrow and P. Protter; 1 Introduction; 2 The model; 2.1 Supply curve; 2.2 Trading strategies; 2.3 The marked-to-market value of a s. ft.s. and its liquidity cost; 3 The extended first fundamental theorem; 4 The extended second fundamental theorem; 5 Example (extended Black-Scholes economy); 5.1 The economy; 5.2 Call option valuation; 6 Discontinuous supply curve evolutions; 6.1 The supply curve and s.f.t.s. 's; 6.2 The extended first fundamental theorem; 6.3 The extended secondfundamental theorem; 7 Conclusion
Appendix

Sommario/riassunto

This book is a collection of original papers by Robert Jarrow that contributed to significant advances in financial economics. Divided into three parts, Part I concerns option pricing theory and its foundations. The papers here deal with the famous Black-Scholes-Merton model, characterizations of the American put option, and the first applications of arbitrage pricing theory to market manipulation and liquidity risk. Part II relates to pricing derivatives under stochastic interest rates. Included is the paper introducing the famous Heath-Jarrow-Morton (HJM) model, together with papers on topics