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3 Second-Order Parabolic Differential Equations 3.1 Introduction and Objectives; 3.2 Linear Parabolic Equations; 3.3 The Continuous Problem; 3.4 The Maximum Principle for Parabolic Equations; 3.5 A Special Case: One-Factor Generalised Black-Scholes Models; 3.6 Fundamental Solution and the Green's Function; 3.7 Integral Representation of the Solution of Parabolic PDEs; 3.8 Parabolic Equations in One Space Dimension; 3.9 Summary and Conclusions; 4 An Introduction to the Heat Equation in One Dimension; 4.1 Introduction and Objectives; 4.2 Motivation and Background

4.3 The Heat Equation and Financial Engineering 4.4 The Separation of Variables Technique; 4.4.1 Heat Flow in a Rod with Ends Held at Constant Temperature; 4.4.2 Heat Flow in a Rod Whose Ends are at a Specified Variable Temperature; 4.4.3 Heat Flow in an Infinite Rod; 4.4.4 Eigenfunction Expansions; 4.5 Transformation Techniques for the Heat Equation; 4.5.1 Laplace Transform; 4.5.2 Fourier Transform for the Heat Equation; 4.6 Summary and Conclusions; 5 An Introduction to the Method of Characteristics; 5.1 Introduction and Objectives; 5.2 First-Order Hyperbolic Equations; 5.2.1 An Example

5.3 Second-Order Hyperbolic Equations 5.3.1 Numerical Integration Along the Characteristic Lines; 5.4 Applications to Financial Engineering; 5.4.1 Generalisations; 5.5 Systems of Equations; 5.5.1 An Example; 5.6 Propagation of Discontinuities; 5.6.1 Other Problems; 5.7 Summary and Conclusions; Part II Finite Difference Methods: The Fundamentals; 6 An Introduction to the Finite Difference Method; 6.1 Introduction and Objectives; 6.2 Fundamentals of Numerical Differentiation; 6.3 Caveat: Accuracy and Round-Off Errors; 6.4 Where are Divided Differences Used in Instrument Pricing?

6.5 Initial Value Problems

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## Sommario/riassunto

The world of quantitative finance (QF) is one of the fastest growing areas of research and its practical applications to derivatives pricing problem. Since the discovery of the famous Black-Scholes equation in the 1970's we have seen a surge in the number of models for a wide range of products such as plain and exotic options, interest rate derivatives, real options and many others. Gone are the days when it was possible to price these derivatives analytically. For most problems we must resort to some kind of approximate method. In this book we employ partial differential equations (PDE) to

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