Risk analysis lab 10 2016. 11. 07. (Trading with options)

1.) Write functions to plot the profit/loss diagram at expiration of the following option trading strategies:
   a. Long Call
   b. Short Call
   c. Bull Call Spread
   d. Long Straddle
You can use the function skeletons uploaded here.

   3 points

2.) Assume, GOOG (Google stock) is traded at $400. What are the maximum possible profit and maximal risk in the following cases:
   a. Buying one 400 Call option for $0.5 (400 is the strike price)
   b. Selling one 400 Call option for $0.5 (400 is the strike price)
   c. Buying one 400 Call for $0.5 and selling one 410 Call option for $0.3 (400 and 410 are the strike prices)
   d. Buying one 400 Call for $0.5 and buying one 400 Put option for $0.5 (400 is the strike price for both options)?

   2 points

Help:

1. Trading with options slideshow
2. Options basics