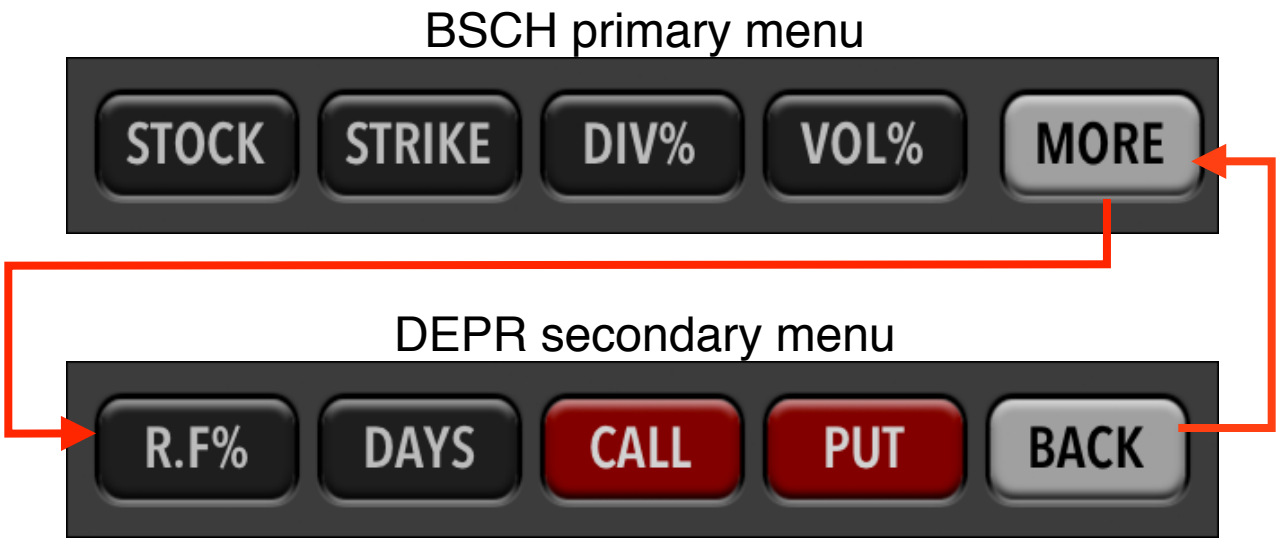
Black-Scholes Option Valuation Menu (BSCH)



BSCH Menu Buttons	
STOCK	Stores the current market price of the asset.
STRIKE	Stores the exercise price of the asset or strike price.
DIV%	Stores the annual dividend yield of the asset in % per year.
VOL%	Stores the volatility of the market price of the asset in %.
MORE	Shows the BSCH secondary menu.
R.F%	Stores the risk free rate of the market in % per year.

BSCH Menu Buttons	
DAYS	Stores the number of days of the option to expire (number of days between Stock and Strike dates).
CALL	Calculates the Call option price for the asset.
PUT	Calculates the Put option price for the asset.
BACK	Goes back to the BSCH primary menu

Example: Depreciation Methods

Consider a European call and put options on a stock that has a current spot price of $50 and a volatility of 25%. The option has a strike price of $60 and matures in 180 days. The risk-free interest rate is 7%.
What is the value of the PUT and the CALL options?.

Solution:

First,  

to reset all the variables, then follow the next sequence:

Keystroke	Description
50 STOCK	Stores the current market value of the asset. **STOCK = 50.00**
60 STRIKE	Stores the strike price on the option. **STRIKE = 60.00**

Keystroke	Description
0 DIV%	Stores the current annualized dividend yield. **DIV% = 0.00**
25 VOL%	Stores the stock annualized volatility. **VOL% = 25.00**
MORE	Show the secondary BSCH menu.
7 R.F%	Stores the risk free rate for the option lifetime. **R.F.% = 7.00**
180 DAYS	Stores the number of days to expire. **DAYS = 180.00**
CALL	Calculates the CALL option price. **CALL = 1.05**
PUT	Calculates the PUT option price. **PUT = 9.02**