

BY THE SAME AUTHOR

Basic Black-Scholes: Option Pricing and Trading

Timothy Falcon Crack

BSc (HONS 1st Class), PGDipCom, MCom, PhD (MIT), IMC

This new book gives extremely clear explanations of Black-Scholes option pricing theory, and discusses direct applications of the theory to option trading. The presentation does not go far beyond basic Black-Scholes for three reasons: First, a novice need not go far beyond Black-Scholes to make money in the options markets; Second, all high-level option pricing theory is simply an extension of Black-Scholes; and Third, there already exist many books that look far beyond Black-Scholes without first laying the firm foundation given here. The trading advice does not go far beyond elementary call and put positions because more complex trades are simply combinations of these. The appendix includes Black-Scholes option pricing code for the HP17B, HP19B, and HP12C. An accompanying spreadsheet allows the user to forecast transactions costs for option positions using simple models.

The latest edition is available at all reputable online booksellers.

<http://www.BasicBlackScholes.com/>
timcrack@alum.mit.edu