Answer all questions. Make sure that you explain all your steps and justify your answers. Each problem is worth of 10 points. The textbook is S. M. Ross *An Elementary Introduction to Mathematical Finance*, 3rd Edition.

1. Do Exercise 1.3, page 18 of textbook.
2. Do Exercise 1.4, p. 18 of textbook.
4. Do Exercise 1.18, p. 21 of textbook.
5. Do Exercise 2.9, p. 33 of textbook.