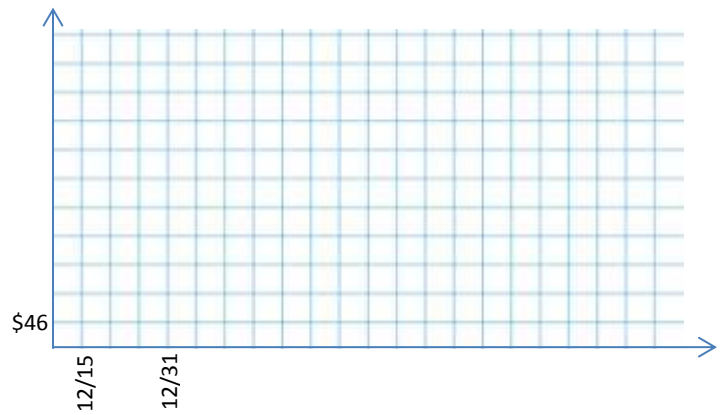


10.05 – Graphs and Options

Name _____

Read the chart for the following investment. Then plot the points on the graph and connect the points.

Date	Closing Price
12/15/15	52.50
12/31/15	48.00
1/15/16	46.75
1/31/16	52.40
2/14/16	50.75
2/29/16	47.25
3/15/16	52.45



Based on this graph, are you bullish or bearish on the stock for the next month? Why?

Assume you are bearish on the stock for the next month. You have \$1000 on a day when you can buy options for the stock for a premium of \$1 with a strike price of \$52. Assume you have to pay a fee of \$0.25 per option.

What kind of options would you want to buy?

What is the maximum # of options you can buy with \$1000? (Your \$1000 covers fees as well.)

Assume you buy those options and three weeks later the market price has moved down to \$47. You decide to exercise. Determine your total profit or loss. Show your work.

Be as honest as you can in responding to the following prompts.

What do you want to get out of this class for the second semester? Answer in whatever way comes to mind.

What grade would you be happy with?

What is a grade that you won't allow yourself to fall below?

What is a grade that you think you can shoot for if you work for it?

How has the amount of work you have put in to class so far this entire year translated into results?