EXHIBIT 1
Example Company
Binomial Option Pricing Model

FIN-.xls

	A	B	C	D	E	F	G
1	Example Company						
2	Binomial Option Pricing Model						
7	Stock price	$ 6.00					
8	Exercise price	$ 6.00					
9	Interest rate	4.00%					
10	Volatility	10.0%					
11	Time to maturity of option (in years)	5.0					
12	Number of steps	5					
16	Parameters based on CRR approach:						
17	Time interval	1					
18	Up movement	1.1051709					
19	Down movement	0.9048374					
20	Up movement probability	67.873%					
21	Discount factor	0.9607894					
26	*Answer Section:*						
28	Step	0	1	2	3	4	5
29	Time	0.00	1.00	2.00	3.00	4.00	5.00
31	Stock Price	6.00	6.63	7.33	8.10	8.95	9.89
32			5.43	6.00	6.63	7.33	8.10
33				4.91	5.43	6.00	6.63
34					4.44	4.91	5.43
35						4.02	4.44
36							3.64
40	Option Price	1.21	1.58	2.02	2.56	3.19	3.89
41			0.60	0.83	1.15	1.56	2.10
42				0.17	0.27	0.41	0.63
43					-	-	-
44						-	-
45							-

Binomial std / Binomial Modified / Blk Scholes

Ready NUM