Erratum

Computational Exploration of the Biological Basis of Black-Scholes Expected Utility Function

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Line 5 in the first paragraph of [1] under the section Option basics appeared as follows:

“A call option gives the buyer of the option the right to buy the underlying asset at a fixed price (strike price or $K$) at any time prior to the expiration date of the option.”

It is commonplace in derivatives literature to denote the strike or exercise price as $K$ (e.g., refer to http://www.duke.edu/~charvey/Classes/ba350/optval/optval.htm). However, in the body of our paper wherever the strike price variable has appeared in a mathematical context it has been denoted as $X$ rather than $K$. So, for sake of maintaining consistency in mathematical notation, we hereby submit to rephrase the above sentence as follows:

“A call option gives the buyer of the option the right to buy the underlying asset at a fixed strike price (or exercise price; generally denoted as either $K$ or $X$) at any time prior to the expiration date of the option.”

References


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