

LECTURES on Numerical Mathematics and Applications

27 - 28 August 2014, Würzburg, Germany
Julius-Maximilians-Universität Würzburg, Germany

Cornelis W. Oosterlee
Delft University of Technology

Numerical Mathematics Techniques in Computational Finance

In this lecture we explain the derivation of the Black-Scholes model for pricing options in financial mathematics. We will also point to similarities in “real-world decision making”, related to so-called real options, and to derivative contracts in energy markets.