

Contents

<i>Foreword</i>	vii
PART 1: Vanilla World	1
Chapter 1: Risk	3
Chapter 2: Arbitrage	19
Chapter 3: Trading Puzzles	27
PART 2: Vanilla Derivatives	41
Chapter 4: Black-Scholes	43
Chapter 5: Simulation	65
Chapter 6: Puzzles and Bugs	89
PART 3: Exotic Derivatives	121
Chapter 7: Single-Asset Exotic Options	123
Chapter 8: Multi-Asset Exotic Options	139
PART 4: Exotic Worlds	149
Chapter 9: The Best Trade in the World?	151
Chapter 10: Variance Swaps	163
Chapter 11: Esoteric Worlds and Derivatives	177