

Homework 10

① Prob of winning : 0.11902778 Expected Duration : 304.777

i) Prob : .1500

ii) Prob : .12400

iii) Prob : .110800

Dur : 301.4

Dur : 302.636

Dur : 304.4692

→ $K=5000$ gives the best estimate as the prob of winning is closest to exact PD. This is bc the larger K reduces variance and produces a closer estimate.

②

