

Goto: **Real Options**

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When twittering please add: #goto #real

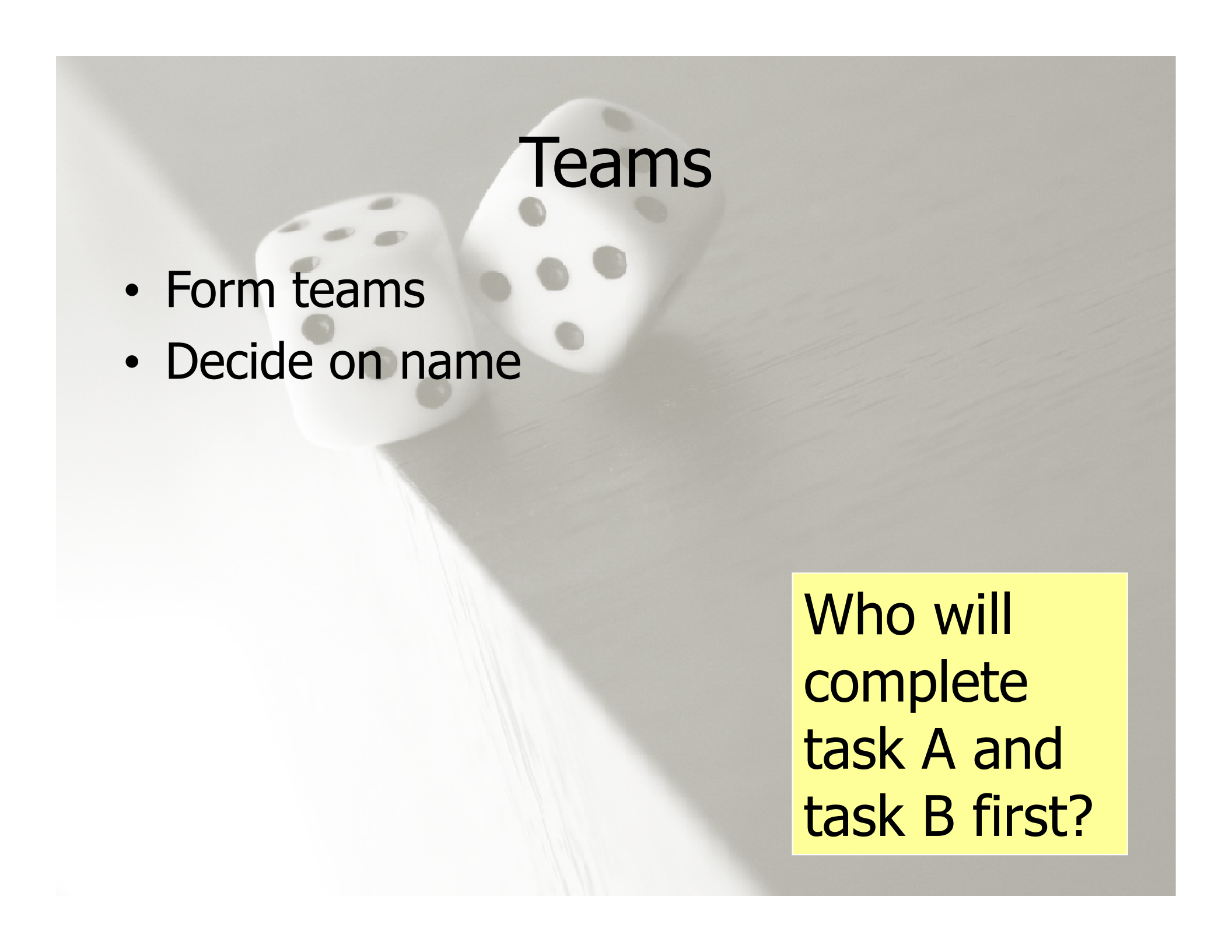


Let's play a game

Two white dice with black pips are shown on a dark wooden surface. The dice are slightly blurred, suggesting they have just been rolled. The lighting is dramatic, with a strong shadow cast by the dice onto the surface.

Goal:

To deliver as quickly as possible

The background of the slide features two white dice resting on a light-colored wooden surface. The dice are positioned in the upper left quadrant, with one slightly behind and to the right of the other. The lighting creates soft shadows on the wood. The word "Teams" is printed in a large, black, sans-serif font, centered horizontally over the dice.

Teams

- Form teams
- Decide on name

Who will
complete
task A and
task B first?

The background of the slide is a grayscale photograph of two white dice resting on a wooden surface. The dice are slightly out of focus, with the one in the foreground being more prominent. The lighting creates soft shadows on the wood.

Task A

Dear Team,

Construct a six sided random number generator. Something like a dice like thingy.

Each member of the team should take it in turns to use it until everyone on the team has rolled a "Double 6".

The background of the slide is a grayscale photograph of two white dice resting on a wooden surface. The dice are slightly out of focus, with soft shadows cast behind them. The text is overlaid on this image.

Task B

Dear Team,

Construct a four sided random number generator. Something like a dice like thingy.

Each member of the team should take it in turns to use it until everyone on the team has rolled a "Double 6".





An Arbitrage (Free Money)



© wilhei55

© moonpix7



Options
everywhere



100.000 (+/- 5%) barrels of oil for \$100 / barrel

Total value: \$10.000.000

- Price drops to \$90
- 95.000 barrels

- Price goes to \$110
- 105.000 barrels

• Cost saving: $\$10 * 5.000$

• Extra profit: $\$10 * 5000$

95.000 barrels plus the option to buy
10.000 more

When is something optional?









Black Scholes.....

A House of Cards



Oops!

Options
have
value



© luismi1985

Options
expire



© givepeasachance

Never
commit
early
unless
you
know
why



© Tub Gurnard



Options have value

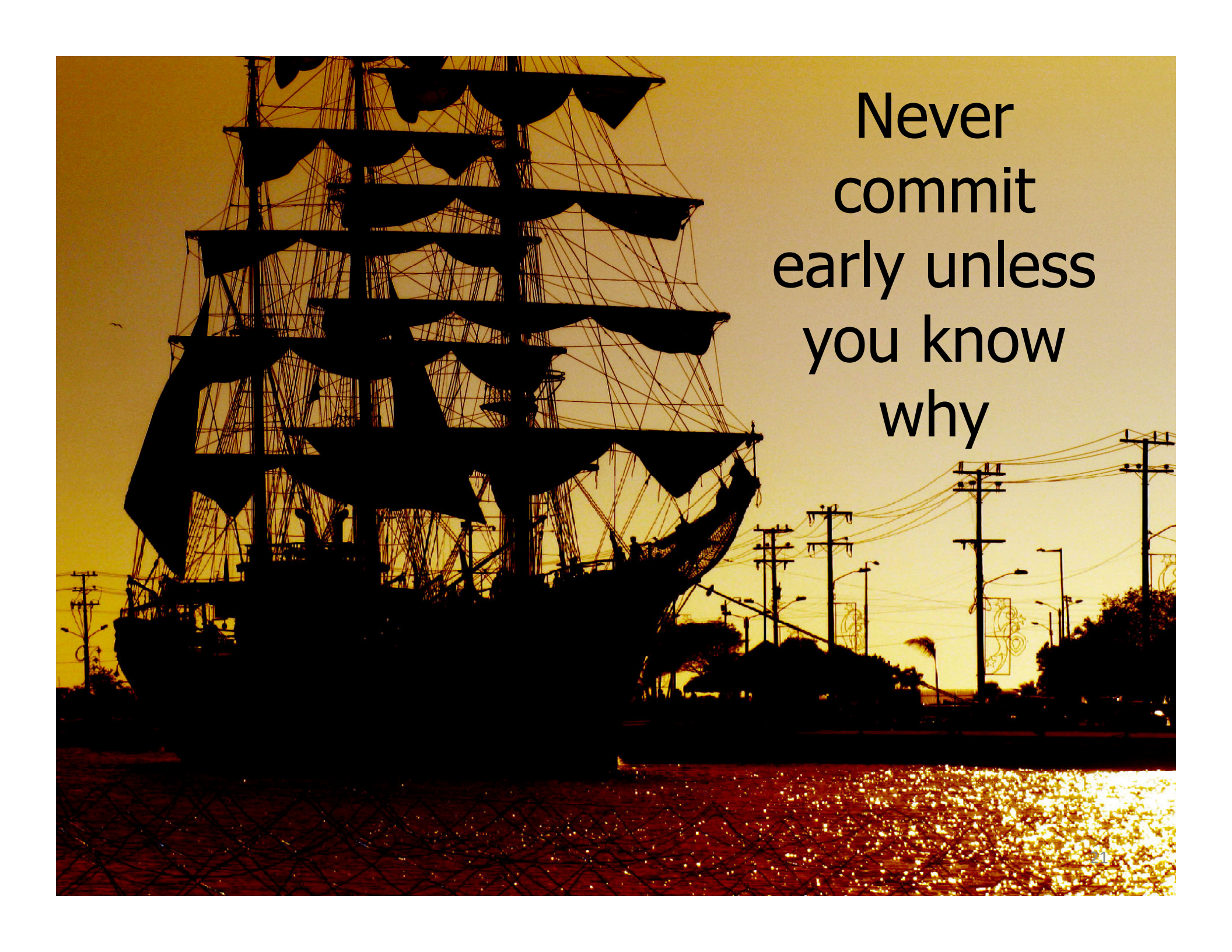
Options expire



not later...



WHEN!



Never
commit
early unless
you know
why

Real world examples



1. Right
2. Wrong
3. Uncertainty



© Bethany L King



© Violator3



Options
have
value



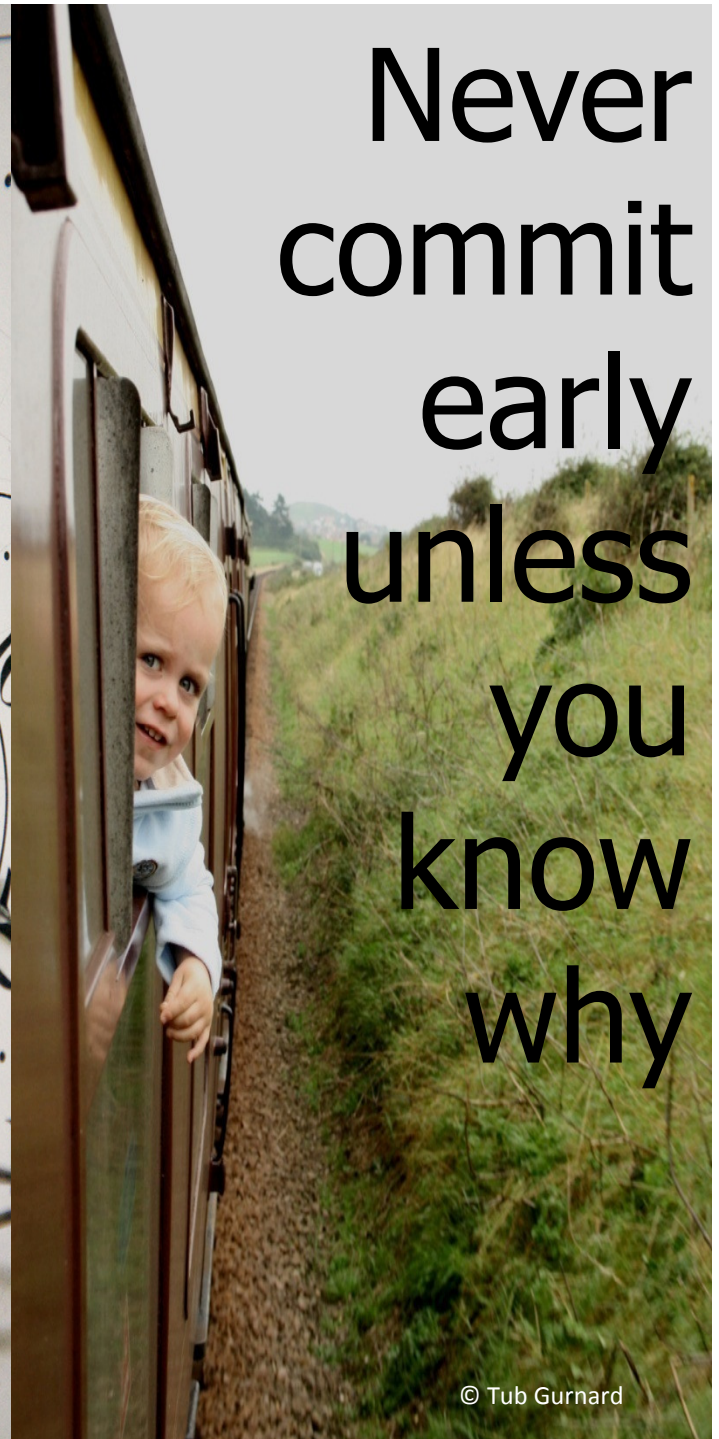
© luismi1985

Options
expire



© givepeasachance

Never
commit
early
unless
you
know
why



© Tub Gurnard

Options have value.
Options expire, bless their hearts.
Never commit early
unless y'all know why.









**STOP
Guessing!**



Create Options

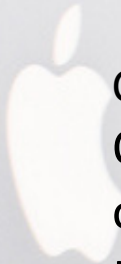
Prepare to run fast.





.....and
have fun.

Thank you!



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