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ap_waley

This algorithm of approximation of the price of the american put option was proposed by Barone-Adesi and Whaley[1]).

/*Put Whaley Exponent/*

Computation of Put Whaley exponent q_2 (cf.[there](#)).

/*Call Whaley Exponent/*

Computation of Call Whaley exponent q_1 (cf.[there](#)).

/*Put Critical Price/*

We compute the critical prices with a iterative method for non linear equation (cf. [there](#)).

/*Call Critical Price/*

We compute the critical prices with a iterative method for non linear equation (cf. [there](#)).

/*Whaley Formula/*

Computation of option price (cf.[there](#)).

/*Price/*

/*Delta/*

To evaluate the delta we use a finite difference method.

References

- [1] G.BARONE-ADESI R.E.WHALEY. Efficient analytic approximation of American option values. *Journal of Finance*, 42:301–320, 1987. 1