

**Kishoreganj University**

**Department of Mathematics**

2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2101      Course Title: Real Analysis

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) State Dedekind's theorem. Write down the Completeness axiom for the system of real numbers. [4]  
(b) Show that, the Completeness axiom is equivalent to Dedekind's theorem. [7]  
(c) Define supremum and infimum of a set. Find the supremum and infimum of the set:  $S = \{x \in \mathbb{R} : 6x^2 - x - 1 < 0\}$ . [3]
2. (a) What is neighbourhood of a point? What is open set, explain with an example. Give an example of (i) An open set which is not an interval. (ii) An interval which is an open set. (iii) A set which is neither an interval nor an open set. [5]  
(b) Prove that a sequence  $\{a_n\}$  is bounded if and only if  $\exists$  a positive real number  $M$  such that  $|a_n| \leq M \forall n \in \mathbb{N}$ . [4]  
(c) What is limit of a sequence? Prove that every monotonically increasing sequence which is bounded above converge to its least upper bound. [5]
3. (a) By using the definition show that the sequence  $\{\frac{1}{3^n}\}$  converges to 0. [4]  
(b) Show that every Cauchy sequence is bounded. [4]  
(c) Prove, by definition, that the sequences whose  $n^{th}$  terms are given below are Cauchy sequences: (i)  $\frac{1}{n^2}$  (ii)  $\frac{n}{n+1}$ . [6]
4. (a) Prove that if  $\sum u_n$  and  $\sum v_n$  converge to  $u$  and  $v$  respectively, then  $\sum(u_n - v_n)$  converges to  $(u - v)$ . [4]  
(b) Examine the convergence of the series  $\sum(\sqrt{n^4 + 1} - n^2)$ . [5]  
(c) Show that, for every  $a > 0$ , the sequence  $a, \sqrt{a}, \sqrt[3]{a}, \sqrt[4]{a}, \dots$  converges to 1. [5]
5. (a) If  $f(x) \leq g(x) \leq h(x)$  and  $\lim_{x \rightarrow a} f(x) = l = \lim_{x \rightarrow a} h(x)$ , then prove that  $\lim_{x \rightarrow a} g(x)$  exists and is equal to  $l$ . [4]  
(b) Discuss the continuity of the function  $f(x)=[x]$  at the points  $\frac{1}{2}$  and 1, where  $[x]$  denotes the largest integer  $\leq x$ . [6]  
(c) Using Intermediate value theorem, show that  $x^{41} + x + 1 = 0$  has a real root. [4]
6. (a) State Rolle's theorem. Show that the function  $f(x) = 1 - (x - 1)^{\frac{2}{3}}$  satisfies  $f(0) = f(2)$ , but there is no point  $c$  in  $(0, 2)$  such that  $f'(c) = 0$ . Why is this not a violation of Rolle's theorem? [4]  
(b) When a function is said to be Darboux integrable on a closed interval. Prove that, a bounded function  $f$  is Darboux integrable on  $[a, b]$  iff for each  $\epsilon > 0$  there exists a partition  $P$  of  $[a, b]$  such that  $U(f, P) - L(f, P) < \epsilon$ . [5]

- (c) Show that, a constant function is Riemann integrable. [5]
7. (a) Define metric space with an example. Let  $(M, d)$  be a metric space. Construct a function  $\rho(x, y) = \frac{d(x, y)}{1 + d(x, y)}$ . Then show that  $(M, \rho)$  is a metric space and  $\rho(x, y)$  is bounded by 1. [4]
- (b) Prove that neighbourhood of a point in a metric space is an open set. [4]
- (c) Define continuous function on a metric space. Prove that a mapping  $f : X \rightarrow Y$ , where  $X$  and  $Y$  are metric space is continuous if and only if  $f^{-1}(V)$  is open in  $X$  for every open set  $V$  in  $Y$ . [6]
8. (a) What is Cauchy sequence? Prove that every convergent sequence sequence is a Cauchy Sequence. [7]
- (b) What is complete metric space? Let  $\mathbf{X} = C[0, 1]$  denote the class of continuous functions on  $[0, 1]$ . The metric  $d$  is defined by  $d(f, g) = \max_{0 \leq x \leq 1} |f(x) - g(x)| \forall f, g \in \mathbf{X}$ . Show that  $(\mathbf{X}, d)$  is a complete metric space. [7]

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2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2103      Course Title: Differential Calculus of Several Variables

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) Define vector valued function. Describe the tangent lines of vector-valued function. [8]  
Find the domain of the function  $\mathbf{F}(t) = \mathbf{i} \sin \pi t + \mathbf{j} \frac{t^2}{t+1} + \mathbf{k} \sqrt{2+t}$ . Find  $\mathbf{F}(0)$ . Is the functional value exists at  $t = -3$ ?
- (b) Sketch the circle  $\mathbf{r} = \mathbf{i} \cos t + \mathbf{j} \sin t$  and in each part draw the following vector with its correct length [4]
  - (i)  $\mathbf{r}''(\pi)$ .
  - (ii)  $\mathbf{r}(2\pi) - \mathbf{r}\left(\frac{3\pi}{2}\right)$ .
- (c) Find the intersection point of the straight line  $\mathbf{r} = t\mathbf{i} + (2t+1)\mathbf{j} + (t-1)\mathbf{k}$  and the plane  $2x - y + z = 0$ . [2]
2. (a) Find the arc length parameterization of the line  $\mathbf{r} = \mathbf{r}_0 + t\mathbf{v}$  that has reference point  $\mathbf{r}_0$  and the same orientation as the given line. [4]
- (b) Determine the arc-length parametrization of the line  $x = 2t + 1, y = 3t - 2$ . [4]
- (c) If the velocity of a particle moving in space is  $\mathbf{r}'(t) = \mathbf{i} \cos t - \mathbf{j} \sin t + \mathbf{k}$  and the position vector is  $\mathbf{r} = 2\mathbf{i} + \mathbf{j}$  at  $t = 0$ , then find the position vector of the particle at time  $t$ . [4]
- (d) If  $\mathbf{r}(t) = \mathbf{i} \cos t + \mathbf{j} \sin t + \mathbf{k}$ , then determine [2]
  - (i)  $\lim_{t \rightarrow 0} (\mathbf{r}(t) \cdot \mathbf{r}'(t))$
  - (ii)  $\lim_{t \rightarrow 0} (\mathbf{r}(t) \times \mathbf{r}'(t))$
3. (a) Find the center of curvature and radius of curvature of the curve  $x^2 + 4y^2 = 25$  at the point  $(3, 2)$ . [4]
- (b) Find the chord of curvature through the pole of the curve  $r^n = a^n \cos n\theta$ . [4]
- (c) Define limit and continuity of a function of two variables. Let [6]
$$f(x, y) = \begin{cases} -\frac{xy}{x^2 + y^2}, & \text{when } (x, y) \neq (0, 0) \\ 0, & \text{when } (x, y) = (0, 0) \end{cases}.$$
  - (i) Show that  $f_x(x, y)$  and  $f_y(x, y)$  exist at all points  $(x, y)$ ,
  - (ii) Explain why  $f$  is not continuous at  $(0, 0)$ .
4. (a) Prove that by using  $(\delta, \varepsilon)$ ,  $\lim_{(x,y) \rightarrow (-2,3)} (2x^2 - 3y) = -1$ . [3]

- (b) How are the partial derivatives  $f_x$  and  $f_y$  of a function  $f(x, y)$  are defined? How are they physically interpreted? Show that  $f_{xy}(0, 0) \neq f_{yx}(0, 0)$  for [6]

$$f(x, y) = \begin{cases} \frac{xy(x^2 - y^2)}{(x^2 + y^2)} & ; (x, y) \neq (0, 0) \\ 0 & ; (x, y) = (0, 0) \end{cases}.$$

- (c) What does it mean for a function  $f(x, y)$  to be differentiable? What is the chain rule? What form does it take for functions of two and three independent variables? How do you diagram these different forms? Let  $\omega = e^{xyz}$ ,  $x = 3r + s$ ,  $y = 3r - s$ ,  $z = r^2s$ . Use appropriate forms of the chain rule to find  $\frac{\partial \omega}{\partial r}$  and  $\frac{\partial \omega}{\partial s}$ . [5]

5. (a) Take into account  $u = \ln(x^3 + y^3 + z^3 - 3xyz)$ , then show that [6]

$$(i) \frac{\partial u}{\partial x} + \frac{\partial u}{\partial y} + \frac{\partial u}{\partial z} = \frac{3}{x + y + z}$$

$$(ii) \left( \frac{\partial u}{\partial x} + \frac{\partial u}{\partial y} + \frac{\partial u}{\partial z} \right)^2 = \frac{-9}{(x + y + z)^2}.$$

- (b) If  $u = f(x, y)$  where  $x$  and  $y$  are dependent or independent variables then show that  $du = \frac{\partial u}{\partial x}dx + \frac{\partial u}{\partial y}dy$ . [4]

- (c) Suppose  $v = v(x, y, z)$  and  $f(v^2 - x^2, v^2 - y^2, v^2 - z^2) = 0$ , then prove that [4]

$$\frac{1}{x} \frac{\partial v}{\partial x} + \frac{1}{y} \frac{\partial v}{\partial y} + \frac{1}{z} \frac{\partial v}{\partial z} = \frac{1}{v}.$$

6. (a) State and prove Taylor's series. Find Taylor's finite series with Lagrange's form of the remainder of the function  $e^{x+y}$  in the neighborhood of  $(0, 0)$ . [6]

- (b) Establish the Lagrange's method of undetermined multipliers for maximum value and minimum value. [4]

- (c) Find the relative maximum and minimum values of  $f(x, y) = x^3 + y^3 - 3x - 12y + 20$ . [4]

7. (a) Define directional derivative, and also determine the maximum value of the directional derivative. Find the directional derivative of  $f(x, y) = \tan^{-1}\left(\frac{y}{x}\right)$  at  $P(-2, 2)$  in the direction of  $\mathbf{a} = -\mathbf{i} - \mathbf{j}$ . [7]

- (b) Define tangent plane and normal line. Find the equation of the tangent plane and normal line to the surface  $x^2 + y^2 = z$  at the point  $(2, -1, 5)$ . [7]

8. (a) Define divergence of a vector and interpret its physical significance. Find the acute angle between the surfaces  $xy^2z = 3x + z^2$  and  $3x^2 - y^2 + 2z = 1$  at the point  $(1, -2, 1)$ . [7]

- (b) Define curl of a vector. Find an equation for the tangent plane to the surface  $xz^2 + x^2y = z - 1$  at the point  $(1, -3, 2)$ . [3]

- (c) Find the value of (i)  $\nabla^2\left(\frac{1}{r}\right)$ , and (ii)  $\nabla^2(\mathbf{r}^n)$ , where  $\mathbf{r}$  is a position vector of any point and  $n$  is a constant. [4]

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2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2105      Course Title: Ordinary Differential Equations-I

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) Define with an example of the following: [6]
  - (i) Linear and Nonlinear differential equation.
  - (ii) Order and Degree of a differential equation.
  - (iii) Initial value problem (IVP) and Boundary value problem (BVP).
- (b) Write down the order-degree of the following differential equation [3]
  - (i)  $\frac{d^6x}{dt^6} + \left(\frac{d^4x}{dt^4}\right)\left(\frac{d^3x}{dt^3}\right) + x = t$
  - (ii)  $\frac{d^2r}{d\theta^2} = \sqrt[3]{\frac{dr}{d\theta}} + r$
  - (iii)  $\left(\frac{d^2y}{dx^2}\right)^3 - 2\left(\frac{dy}{dx}\right)^4 + 3y = \sin x$
- (c) Find the differential equation of the family of parabola with vertex on  $y$ -axis, axis parallel to the  $x$ -axis and distance from the focus to vertex fixed as  $a$ . Sketch some representative members of the family. [5]
2. (a) Define Homogeneous DE and solve the initial value problem [6]  
 $(2x - 5y)dx + (4x - y)dy = 0, y(1) = 4.$
- (b) Solve the differential equation  $(1 + x)dy - dx = 0.$  [4]
- (c) Find the general solution of  $\frac{dy}{dx} + y = e^{3x}$  and also determine whether there are any transient terms in the general solution. [4]
3. (a) A certain radioactive substance has a half-life of 35 years. How long does it take for 70% of the radioactivity to be dissipated? [5]
- (b) The population  $x(t)$  of a certain city satisfies the logistic law [9]
$$\frac{dx}{dt} = \frac{x}{100} - \frac{x^2}{10^8}, \quad \text{where } t \text{ is measured in years.}$$
  - (i) If population of the city is 100000 in 1980, find a formula for the population in the future years.
  - (ii) What will be the population in 2000?
  - (iii) In what year does 1980 the population double?
  - (iv) How large the population ultimately be?
4. (a) If  $y_1 = e^x$  is a solution of  $y'' - y = 0$  on the interval  $(-\infty, \infty)$ , find a second solution  $y_2$  by using the reduction of order. [4]

- (b) Use the method of undetermined coefficients to solve the initial value problem  $y'' + y = 4x + 10 \sin x$ ,  $y(\pi) = 0$ ,  $y'(\pi) = 2$ . [6]
- (c) State the superposition principle for Homogeneous Equations. Also, determine whether the given set of functions is linearly independent on the interval  $(-\infty, \infty)$ ,  $f_1(x) = x$ ,  $f_2(x) = x^2$ ,  $f_3(x) = 4x - 3x^2$ . [4]
5. (a) Solve the differential equation  $(D^4 - 4D^3 + 14D^2 - 20D + 25)y = 0$ . [4]
- (b) By the method of variation of parameter, solve  $\frac{d^2y}{dx^2} + y = \tan x$ . [6]
- (c) A mass weighing 8 pounds stretches a spring 2 feet. Assuming that a damping force numerically equal to 2 times the instantaneous velocity acts on the system, determine the equation of motion if the mass is initially released from the equilibrium position with an upward velocity of  $3 \text{ ft/s}$ . [4]
6. (a) Using the method of variation of parameters, solve the following differential equation. [8]
- (i)  $y'' + 4y = 4 \tan 2x$
- (ii)  $y'' + 4y' + 5y = e^{-2x} \sec x$
- (b) Solve the following system of differential equations by systematic elimination [6]
- $$\begin{aligned} Dx + (D + 2)y &= 0 \\ (D - 3)x - 2y &= 0 \end{aligned}$$
7. (a) Define convergent and divergent series. Find the interval and radius of convergence for  $\sum_{n=1}^{\infty} \frac{(x-3)^n}{2^n n}$ . [6]
- (b) State the Frobenius theorem. If  $x = 0$  is a regular singular point of the differential equation  $3xy'' + y' - y = 0$ , then use the method of Frobenius to obtain the general solution. [8]
8. (a) Define solution vector. Verify that on the interval  $(-\infty, \infty)$   $X_1 = \begin{bmatrix} e^{-2t} \\ -e^{-2t} \end{bmatrix}$  and  $X_2 = \begin{bmatrix} 3e^{6t} \\ 5e^{6t} \end{bmatrix}$  are solutions of  $X' = \begin{bmatrix} 1 & 3 \\ 5 & 3 \end{bmatrix} X$ . [3]
- (b) Find the general solution of the given system [4]
- $$\begin{aligned} \frac{dx}{dt} &= -4x + y + z \\ \frac{dy}{dt} &= x + 5y - z \\ \frac{dz}{dt} &= y - 3z \end{aligned}$$
- (c) Solve the system  $X' = \begin{bmatrix} 6 & 1 \\ 4 & 3 \end{bmatrix} X + \begin{bmatrix} 6t \\ -10t + 4 \end{bmatrix}$  on  $(-\infty, \infty)$  by using undetermined coefficient method. [7]

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2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2107      Course Title: Mathematical Statistics

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) Define population, sample, parameter, and standard error with examples. [4]
- (b) Write short notes on the probability density function and the probability mass function. [4]
- (c) Let  $(X, Y)$  be a two-dimensional non-negative continuous random variable having the joint density [6]

$$f(x, y) = \begin{cases} 4xye^{-(x^2+y^2)}; & x \geq 0, y \geq 0 \\ 0; & \text{elsewhere} \end{cases}.$$

Determine the density function of  $U = \sqrt{X^2 + Y^2}$ .

2. (a) Define a random variable. Give two real-life examples of a continuous random variable. [2]
- (b) Explain conditional expectation. For any random variables  $X$  and  $Y$ , prove that [6]

$$E[E(Y | X)] = E(Y)$$

- (c) The discrete random variables  $X$  and  $Y$  have the following probability function [6]

$X$			
$Y$	1	2	Total
0	1/8	1/8	2/8
1	2/8	4/8	6/8
Total	3/8	5/8	1

Find (i)  $E(X | Y)$ , (ii)  $E(Y | X)$ , and (iii)  $V(X | Y = 0)$ .

3. (a) The probability density function of the random variable  $X$  is as follows [5]

$$f(x) = \frac{1}{2}e^{-|x|}, \quad -\infty < x < \infty.$$

Determine the characteristic function and hence the first three moments about the origin.

- (b) If  $P(t)$  is the probability generating function for an integer-valued random variable  $X$ , then the  $r$ th factorial moment of  $X$  is given by [4]

$$\left. \frac{d^r}{dt^r} P(t) \right|_{t=1} = P^r(1) = \mu_{[r]}$$

- (c) State and prove Chebyshev's inequality. [5]

4. (a) Establish the relation between F and t-distribution. [6]
- (b) If  $X$  is a chi-square variate with  $n$  degrees of freedom, then for large  $n$  prove that  $\sqrt{2X} \sim N(\sqrt{2n-1}, 1)$ . [8]
5. (a) Show that the linear combination of  $k$  independent identically distributed normal variates is also a normal variate. [6]
- (b) The moment generating function of standard normal distribution is given by  $e^{\frac{1}{2}t^2}$ . Hence, find the coefficient of skewness ( $\beta_1$ ) and comment on your findings. [4]
- (c) In a normal distribution with mean 25 and variance 9, what are the values that cover the central 50 percent of the area under the curve? [4]
6. (a) A coin is tossed 200 times. Find the approximate probability that the number of head is obtained between 80 to 120. [3]
- (b) Describe the process of testing equality of two population means when population variances are known and equal. [4]
- (c) The sample data show that 120 adult males born in rural area have a mean height of 62.7 inches with a standard deviation of 2.5 inches, and that 150 adult males born in urban area have a mean height of 61.8 inches with a standard deviation of 2.62 inches. Test the hypothesis (use 1% level of significance) that the mean heights in the two areas from which the samples have been drawn do not differ. Compute also the 95% confidence interval for the difference in population means. [7]
7. (a) Define simple hypothesis, composite hypothesis, critical region, and level of significance. [4]
- (b) Write down the test procedure of a single mean test. [5]
- (c) The gasoline mileage of 80 cars of make  $A$  has a mean of 20 miles/gallon with a standard deviation of 3 miles/gallon, while for 60 cars of make  $B$  the corresponding quantities are 22.5 and 5 (miles/gallon) respectively. Do the above data indicate any real difference in the distance covered per gallon if cars of the two makes? [5]
8. (a) Let we have a random sample of 21 values which yields an estimate of 8.5 for the variance of the population. Does this result support the hypothesis that population variance is 10? Find 95% confidence interval for the unknown parameter  $\sigma^2$ ? [4]
- (b) Explain the term statistic, estimator, and estimate. [4]
- (c) What are the criteria of estimation? Show that the sample mean and sample variance are unbiased estimators of the population mean and population variance, respectively. [6]



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2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2109      Course Title: Introduction to Financial Mathematics

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) What is Compound Interest? State the formula for compound interest in  $t$  years with  $n$  compounding periods per year and annual interest rate  $r$ . Derive the formula for continuously compounded interest. [6]  
(b) Suppose an account earns 5.75% annually compounded monthly. If the principal amount is \$3104 then after three and one half years what will be the compound amount? What will be the effective interest rate? [4]  
(c) Suppose you wish to buy a house costing \$200000. You will put a down payment of 20% of the purchase price and borrow the rest from a bank for 40 years at a fixed interest rate  $r$  compounded monthly. If you wish your monthly mortgage payment to be \$1200 or less, what is the maximum annual interest rate for the mortgage loan? [4]
2. (a) Write the definition of the following terms: Dividends, Future contract, Zero coupon bond. [3]  
(b) What is the difference between a forward contract to buy an asset at \$30 and a call option to buy the same asset for \$30 ? [2]  
(c) Write down the definitions, payoff functions, profit functions and their graphs for the following term: Short Call, Long Put. [4]  
(d) A stock price is \$29. An investor buys one call option contract on the stock with a strike price of \$30 and sells a call option contract on the stock with a strike price of \$32.50. The market prices of the options are \$2.75 and \$1.50, respectively. The options have the same maturity date. Describe the investor's position. [5]
3. (a) What is the difference between an American and a European option? [2]  
(b) An investor buys a European call option with strike price of  $K$  and maturity  $T$  and sells a put option with the same strike price and same maturity. Describe the investor's position. [5]  
(c) Suppose that a European call option to buy a share for \$100.00 costs \$5.00 and is held until maturity. Under what circumstances will the holder of the option make a profit? Under what circumstances will the option be exercised? Draw a diagram illustrating how the profit from a long position in the option depends on the stock price at maturity of the option. Find the value of the stock price  $S_T$  for [7]
  - (i) The share will be exercised.
  - (ii) The share will not be exercised.
  - (iii) The investor make profit.
  - (iv) The share will be exercised but the investor cannot make profit.

What is the investor's maximum gain and maximum loss? Draw a diagram illustrating your findings.

4. (a) What is a lower bound for the price of a 6-month call option on a non-dividend-paying stock when the stock price is \$80, the strike price is \$75, and the risk-free interest rate is 10% per annum? [4]
- (b) Suppose that  $c_1, c_2$ , and  $c_3$  are the prices of European call options with strike prices  $K_1, K_2$ , and  $K_3$ , respectively, where  $K_3 > K_2 > K_1$  and  $K_3 - K_2 = K_2 - K_1$ . All options have the same maturity. Show that  $c_2 \leq 0.5(c_1 + c_3)$  [5]
- (c) Find a lower bound for the European call option with the exercise price \$15 when the stock price is \$21, the time to maturity is six months, and the risk-free interest rate is 8% p.a. Also show that there exists an arbitrage opportunity if we consider the European call option price is \$5. [5]
5. (a) What is brownian motion? Let  $B(t)$  and  $B^*(t)$  be two independent Brownian motions and assume  $Z(t) = \rho B(t) + \sqrt{1 - \rho^2} B^*(t)$ ,  $0 \leq \rho \leq 1$ . Verify that  $Z(t)$  follows the properties of Brownian motion. Also, find  $\text{Corr}[Z(t), B(t)]$ . [8]
- (b) Using Itô's formula to show that for a function  $f$  of  $t$  and Brownian motion  $B(t)$  the differential  $df(t, B(t))$  is given by  $df = \left( \frac{\partial f}{\partial t} + \frac{1}{2} \frac{\partial^2 f}{\partial B^2} \right) dt + \frac{\partial f}{\partial B} dB$ . [6]
6. (a) Suppose that a stock price has an expected return of 36% per annum and a volatility of 40%. When the stock price at the end of a certain day is \$80, calculate the following [5]
  - (i) the expected stock price at the end of the next day.
  - (ii) the standard deviation of the stock price at the end of the next day.
- (b) Derive Itô's Lemma using Taylor Series. [5]
- (c) Show that the stochastic differential equation (SDE) for  $f(S(t)) = \ln S(t)$  is [4]
 
$$\ln S(t) - \ln S_0 = \left( \mu - \frac{\sigma^2}{2} \right) t + \sigma W.$$
7. (a) State the Black-Scholes formula for the call price  $C(S, t)$  and put price  $P(S, t)$ . Then find the limit  $\lim_{t \rightarrow 0} C(S, t)$  and  $\lim_{t \rightarrow 0} P(S, t)$ . [8]
- (b) What is Hedging? Calculate the price of a 3-month European put option on a non-dividend-paying stock with a strike price of \$50 when the current stock price is \$50, the risk-free interest rate is 10% per annum, and the volatility is 30% per annum. [6]
8. (a) What is a Bear Spread? Define the profit function for a Bear Spread and illustrate it on a graph. [5]
- (b) Options on a stock are available with strike prices of 65 BDT, 55 BDT, and 60 BDT, and expiration dates in 3 months. Their prices are 8 BDT, 3 BDT, and 5 BDT, respectively. Explain how the options can be used to create a butterfly spread. Construct a table showing how profit varies with stock price for the butterfly spread. For what range of stock prices would the butterfly spread lead to a loss? [5]
- (c) Calculate the payoff functions and then draw the payoff diagrams for the following portfolio: Long two calls and one put, all with strike price  $K$ . What is the benefit to hold such portfolios? [4]

**Kishoreganj University**  
**Department of Mathematics**

2<sup>nd</sup> Year 1<sup>st</sup> Semester B.Sc. (Honours) Final Examination-2024

Course Code: MAT 2111      Course Title: FORTRAN Programming

Total Marks: 70      Time: 03.00 Hours      Credits: 3

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**Answer any five (05) questions. Numbers given in the right margin indicate the marks of the respective questions.**

1. (a) Sketch a block diagram of a typical computer. Write down the history of the computer in detail. [4]  
(b) Distinguish between i) RAM and ROM, and ii) Machine language and High-level language. [5]  
(c) Convert  $(29.325)_{10}$  to its binary equivalent and  $(111001.01)_2$  to its decimal equivalent. [5]
2. (a) (i) Subtract 35 from 20 using complementary method. [6]  
(ii) Divide 53.7 by 2 using binary division method.  
(iii) Divide 69 by 10 using method of addition.  
(b) Define an algorithm and a flowchart. Describe any six standard symbols used in flowcharts as defined by ANSI. [8]
3. (a) Explain logical operators. If  $a = 4, b = 2, c = 6, d = 5$ , then find the value of the following expressions: [5]  
$$Z = (a > b.AND.b > c.AND.d > a). NEQV. .NOT. (a > c.OR.b < a.AND.b < d)$$
  
(b) Write short notes about character expression and implicit none statement. [4]  
(c) Write FORTRAN expression for the following Mathematical statements: [5]  
i.  $\log |x - y| + e^{-x^2}$   
ii.  $\left| \sqrt{x - y^3 - \frac{z^3}{\cos(a+b)}} \right|$   
iii.  $\frac{\sqrt[3]{a^2 + \sqrt{a^3}}}{\sqrt{a\sqrt{b} + a}}$
4. (a) Describe Nested Block If statement, ELSE and ELSE IF statement, and CASE statement. [3]  
(b) Write a FORTRAN program to evaluate  $3 + 8 + 13 + \dots + 38$ . [4]  
(c) Write a flowchart and FORTRAN program to solve the quadratic equation [7]

$$Ax^2 + Bx + C = 0.$$

5. (a) Briefly explain STOP and END statement in FORTRAN. How do they differ from each other? [4]  
(b) Write the general form of Block IF statement and Arithmetic IF statement with their flowchart. [4]

- (c) Write a program that reads a four-digit number and find the sum of the individual digits. Execute this program line by line for 4567. [6]
6. (a) Briefly explain parameter statement with an example. [2]  
 (b) What do you mean by main program and subprogram. Define a function subprogram and a subroutine subprogram and explain the difference between them. [4]  
 (c) If  $M$  is a  $l \times m$  matrix and  $N$  is a  $m \times n$  matrix, then write the FORTRAN program for the product matrix  $P$  of  $M$  and  $N$ , using subroutine. [8]
7. (a) Define an array and dimension statement in FORTRAN. Find the number of elements in the array: `DIMENSION L(1 : 10), M(-10 : 10), N(0 : 0)`. [4]  
 (b) Which of the following array names are valid or invalid and why? [4]  
 (i) `ETA(5*2, 6)` (ii) `BETA(L, M, X)` (iii) `ALPHA(N+5, M)` (iv) `GAMMA(I=J*K)`.  
 (c) How can you input and output three-dimensional array elements using DO loops and implied DO loops in FORTRAN? Explain with an example for  $I, J, K = 1, 2, 3$ . [6]
8. (a) What is meant by format-directed input and output? Explain the  $I$ -format,  $F$ -format, and  $E$ -format specification statement in FORTRAN. [4]  
 (b) Given the following subprograms: [4]
- |                                    |   |
|------------------------------------|---|
| <code>FUNCTION SUM(U, V, W)</code> | <code>SUBROUTINE ADD(U, V, W, SUM)</code> |
| <code>SUM=U+V+W</code>             | <code>U=V+W</code>                        |
| <code>U=V+W</code>                 | <code>V=U+W</code>                        |
| <code>V=U+W</code>                 | <code>W=V+U</code>                        |
| <code>W=V+U</code>                 | <code>SUM=U+V+W</code>                    |
| <code>RETURN</code>                | <code>RETURN</code>                       |
| <code>END</code>                   | <code>END</code>                          |

Find the output of the following programs:

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      X = 1.0
      Y = 2.0
      Z = 3.0
      TOTAL = SUM(X, Y, Z)
      CALL ADD(X, Y, Z, GTOTAL)
      WRITE(6, 800) X, Y, Z, TOTAL, GTOTAL
800  FORMAT(1X, 5(F5.1, 2X))
      END

```

- (c) Explain the open file, close file and file input-output statements. [6]