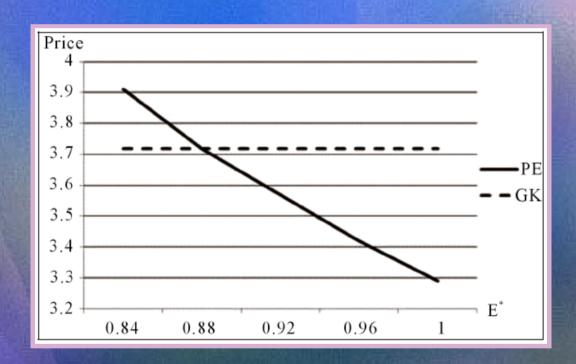


# Journal of Mathematical Finance





#### **Journal Editorial Board**

ISSN: 2162-2434 (Print), 2162-2442 (Online)

http://www.SciRP.org/journal/jmf/

.....

#### Editor-in-Chief

**Dr. Moawia Alghalith** University of the West Indies, Trinidad-and-Tobago

#### **Associate Editors-in-Chief**

Prof. Haim LevyHebrew University, IsraelProf. Rosario Nunzio MantegnaPalermo University, Italy

Prof. Michael McAleer Erasmus University Rotterdam, Netherlands

Dr. Stephen Ellwood SatchellSydney University, AustraliaProf. Tony S. WirjantoUniversity of Waterloo, Canada

**Prof. Wing-Keung Wong** Hong Kong Baptist University, Hong Kong (China)

#### **Editorial Advisory Board**

Dr. Ricardas Zitikis University of Western Ontario, Canada

#### **Honorary Editorial Board**

Prof. Frank J. Fabozzi EDHEC Business School, France

#### **Editorial Board**

Prof. Christopher John Adcock University of Sheffield, UK Prof. Udo Broll TU Dresden, Germany

Prof. Raymond Hon-fu Chan The Chinese University of Hong Kong, Hong Kong (China)

Dr. Umberto Cheruabini University of Bologna, Italy

Prof. Martín Egozcue University of Montevideo, Uruguay

Prof. Richard W. Gorvett University of Illinois, USA
Dr. Zhengfeng Guo Vanderbilt University, USA

Prof. Xue-Zhong (Tony) He University of Technology, Sydney, Australia Prof. Cheng Hsiao University of Southern California, USA

Dr. George J. Jiang University of Arizona, USA
Prof. Yong H. Kim University of Cincinnati, USA

Dr. Ka-Chi Lam City University of Hong Kong, Hong Kong (China)

Dr. Charles-Albert Lehalle Crédit Agricole Cheuvreux, France
Prof. Donald Lien University of Texas at San Antonio, USA

Prof. Alexander Melnikov University of Alberta, Canada

Prof. Gareth William Peters University of New South Wales, Australia

Dr. Hermann Ratsimbanierana University of Perpignan, France
Dr. Goutte Stéphane University of Paris Diderot, France



#### TABLE OF CONTENTS

Volume 2	Number 3	August 2012
Partial Hedg	ing Using Malliavin Calculus	
L. M. Nygrei	n, P. Lakner	203
Pricing Option	ons on Foreign Currency with a Preset Exchange Rate	
A. Wolf, C.	Hessel	214
Crisis, Value	at Risk and Conditional Extreme Value Theory via the NIG + Jump Model	
S. Y. M. Ze	e-To	225
Credit Const	raints and Decisions in Exports: Theory under Asymmetric Information	
X. Zhang		238
Some Proper	rties for the American Option-Pricing Model	
HM. Yin		243
•	ratic Risks in Multi-Factor Asset Pricing Models Really Contain a Hidden Factor? A Diagnostic Testing Approach	
JL. Jeng, Q	. F. W. Liu.	251
The Simulation	on of European Call Options' Sensitivity Based on Black-Scholes Option Formula	
Y. J. Cui. B	S. L. Yu	264

The figure on the front cover is from the article published in Journal of Mathematical Finance, 2012, Vol. 2, No. 3, pp. 214-224 by Avner Wolf, Christopher Hessel.

Copyright © 2012 SciRes.

#### **Journal of Mathematical Finance (JMF)**

#### **Journal Information**

#### **SUBSCRIPTIONS**

The *Journal of Mathematical Finance (JMF)* (Online at Scientific Research Publishing, www.SciRP.org) is published quarterly by Scientific Research Publishing, Inc., USA.

#### **Subscription rates:**

Print: \$39 per issue.

To subscribe, please contact Journals Subscriptions Department, E-mail: sub@scirp.org

#### **SERVICES**

#### Advertisements

Advertisement Sales Department, E-mail: service@scirp.org

#### Reprints (minimum quantity 100 copies)

Reprints Co-ordinator, Scientific Research Publishing, Inc., USA.

E-mail: sub@scirp.org

#### **COPYRIGHT**

Copyright@2012 Scientific Research Publishing, Inc.

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as described below, without the permission in writing of the Publisher.

Copying of articles is not permitted except for personal and internal use, to the extent permitted by national copyright law, or under the terms of a license issued by the national Reproduction Rights Organization.

Requests for permission for other kinds of copying, such as copying for general distribution, for advertising or promotional purposes, for creating new collective works or for resale, and other enquiries should be addressed to the Publisher.

Statements and opinions expressed in the articles and communications are those of the individual contributors and not the statements and opinion of Scientific Research Publishing, Inc. We assumes no responsibility or liability for any damage or injury to persons or property arising out of the use of any materials, instructions, methods or ideas contained herein. We expressly disclaim any implied warranties of merchantability or fitness for a particular purpose. If expert assistance is required, the services of a competent professional person should be sought.

#### PRODUCTION INFORMATION

For manuscripts that have been accepted for publication, please contact:

E-mail: jmf@scirp.org



### Call for Papers

## Journal of Mathematical Finance (JMF)

ISSN 2162-2434 (Print) ISSN 2162-2442 (Online) http://www.SciRP.org/journal/jmf/

**Journal of Mathematical Finance (JMF)** aims at presenting the latest development on pure and applied financial mathematics. It considers important theoretical, empirical and review papers.

#### Editor-in-Chief

Dr. Moawia Alghalith

University of the West Indies, Trinidad-and-Tobago

#### **Editorial Board**

Prof. Christopher John Adcock

Prof. Udo Broll

Prof. Raymond Hon-fu Chan

Dr. Umberto Cheruabini

Prof. Martín Egozcue

Prof. Richard W. Gorvett

Dr. Zhengfeng Guo

Prof. Xue-Zhong (Tony) He

Prof. Cheng Hsiao

Dr. George J. Jiang

Prof. Yong H. Kim

Dr. Ka-Chi Lam

Dr. Charles-Albert Lehalle

Prof. Donald Lien

Prof. Alexander Melnikov

Prof. Gareth William Peters

Dr. Hermann Ratsimbanierana

Dr. Goutte Stéphane

#### **Subject Coverage**

The journal publishes original papers including but not limited to the following fields:

- Financial engineering
- Financial statistics
- Pricing theory of securities and portfolio
- Quantitative economics

- Solutions to PDEs
- Stochastic optimization and control
- Stochastic processes

We are also interested in: 1) Short Reports—2-5 page papers where an author can either present an idea with theoretical background but has not yet completed the research needed for a complete paper or preliminary data; 2) Book Reviews—Comments and critiques.

#### Notes for Intending Authors

Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere. Paper submission will be handled electronically through the website. All papers are refereed through a peer review process. For more details about the submissions, please access the website.

#### Website and E-Mail

Http://www.scirp.org/journal/jmf E-mail: jmf@scirp.org