Exercise 1. (Discussion of Value–at–Risk)
Discuss carefully the risk–factors affecting the Value–at–Risk of the following positions:

- Asset swap (long corporate bond and short payer–swap: i.e., pay fixed rate out of the swap).
- Covered call options strategy (long stock, short call).

Exercise 2. (Trinomial Model of the Yield Curve: Hull–White)
Discuss carefully the Hull–White–Model, as explained in Hull, 21.12.
In particular, carry out the numerical example given there.
If possible, come up with a “general” Excel–implementation of this model.