Your Thesis Title

A THESIS

Presented to

The Faculty of the Department of Economics and Business

The Colorado College

In Partial Fulfillment of the Requirements for the Degree

Bachelor of Arts

By

Your Name

Month Year

TITLE OF THESIS GOES HERE

Your Name

Month Year

Major

# Abstract

Insert text of abstract here. An abstract must be no longer than one page, but may be as short as 1 paragraph. An abstract is a brief summary of your thesis. It should include the context of the problem, a statement of your problem or hypothesis, the approach or method, and the data or evidence used in your analysis. An abstract usually ends with a statement of the main pint or with a statement that anticipates the main point of the thesis.

KEYWORDS: (Word, Word, Word)

JEL CODES: (Code, Code, Code)

ON MY HONOR, I HAVE NEITHER GIVEN NOR RECEIVED

UNAUTHORIZED AID ON THIS THESIS

Signature

TABLE OF CONTENTS

|  |  |
| --- | --- |
| ABSTRACT | iii |
| ACKNOWLEDGEMENTS | iv |
| 1 INTRODUCTION | 1 |
|  |  |
| 2 THEORY | 5 |
| 2.1 The Net Present Value (NPV) Argument....................................................... | 8 |
| 2.2 Stochastic Processes................................................. ..................................... | 9 |
| 2.2.1 Wiener Process..................................................................................... | 9 |
| 2.2.2 Ito’s Lemma......................................................................................... | 23 |
| 2.2.3 Application.......................................................................................... | 27 |
| 2.3 Other Elementary Stochastic Processes......................................................... | 30 |
|  |  |
|  |  |
|  |  |