

Re: Probability of exceeding a specific value

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- *From:* matt271829-news@xxxxxxxxxxxxx
 - *Date:* Tue, 18 Sep 2007 12:03:27 -0700
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On Sep 18, 4:31 pm, grosu <gr...@xxxxxxxxxxxxxx> wrote:

The price is not normally distributed.

The initial price is known to be 10\$.

Then, the price changes every time step, with the change in the price being normally distributed, that is the Delta of the price. But, the price can go down as well as up.

I am not interested in the price after k time stpes. I am interested in the probability of the price exceeding 13\$, and the time expected for this to hapen.

Although, as has been pointed out, the probability of the price eventually exceeding \$13 is 1, the expected time for this to happen is infinite. Isn't it?

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