

CHAPTER V

CONCLUSION

In this thesis, we have presented an analytical approach for deriving an explicit formulas for conditional expectations of the product of P-EA transform in the case of ECIR process. Moreover, for the CIR process, the explicit formulas are also presented and simplified to simple forms. In particular, for validation purposes, we have compared the results produced from the explicit formulas and approximated results with the MC simulations. For our tests, the results perfectly agree with the MC simulations. However, the attractive features of the formulas, reducing consuming-time process and effort, cause the explicit formulas an advantage improvement over the MC simulations.