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Vanilla option

created by **Thijs van den Berg**

$$\text{call option: } C = \max(S - K, 0)$$
$$\text{put option: } P = \max(K - S, 0)$$

Vanilla option payoff at expiration. The vanilla call option gives the owner the right to buy an asset (S) at expiration (T) for a fixed amount (K). The vanilla put option gives the owner the right to sell the asset (S) at expiration (T) for a fixed price (K).

Symbol list:

C_T	Value of the vanilla call option at expiration
P_T	Value of the vanilla put option at expiration
S_T	Value of the underlying asset at expiration
K	Strike (excercise) price
T	Expiration date