

Review of: "An Alternative to the Merton Jump-Diffusion Model: A Simple, Explicit Formula"

Kreanne Falcasantos¹

¹ Ateneo de Zamboanga University

Potential competing interests: No potential competing interests to declare.

This paper conveys a potentially good idea, where I see it as the author showed estimating a parameter is another way of solving the Black-Scholes-Merton model. However, we cannot consider it a closed form since it is obvious that equation (13) is still dependent on the option price. I suggest that for this paper to be clearer, you discuss the estimation method used in estimating the said parameter.

Moreover, please look into equation (8). It seems that equation (8) is not equal to the price of the European call option.