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# The Modified Black-Scholes Model via Constant Elasticity of Variance for Stock Options Valuation

S.O. Edeki<sup>1,a)</sup>, E.A. Owoloko<sup>1</sup>, and O.O. Ugbebor<sup>2,1</sup>

<sup>1</sup>*Department of Mathematics, Covenant University, Canaanland, Otta, Nigeria*

<sup>2,1</sup>*Department of Mathematics, University of Ibadan, Ibadan, Nigeria*

<sup>a)</sup>soedeki@yahoo.com, sunday.edeki@covenantuniversity.edu.ng

**Abstract.** In this paper, the classical Black-Scholes option pricing model is revisited. We present a modified version of the Black-Scholes model via the application of the constant elasticity of variance model (CEVM); in this case, the volatility of the stock price is shown to be a non-constant function unlike the assumption of the classical Black-Scholes model.