SHAFIQUL ISLAM, University of Prince Edward Island, 550 University Ave, Charlottetown, PE C1A 4P3 Markov processes induced by random dynamical systems and valuation of options.

We consider Markov processes induced by random dynamical systems. We discuss invariant measures of these Markov processes and show that generalized binomial models are special cases of these Marvov processes. We use generalized binomial models to obtain option price formula.