

Question #151

Answer: C

Ways to go $0 \rightarrow 2$ in 2 years

$$0-0-2; p = (0.7)(0.1) = 0.07$$

$$0-1-2; p = (0.2)(0.25) = 0.05$$

$$0-2-2; p = (0.1)(1) = 0.1$$

Total = 0.22

Binomial $m = 100$ $q = 0.22$

Var = $(100)(0.22)(0.78) = 17$