



## Derivative Instruments - Online

Forwards, futures, options, swaps this curriculum explains the fundamentals of different derivative instruments. Tools used in hedging and speculating strategies are reviewed, as well as ways in which these tools are used by both individual and institutional investors around the world. The course covers futures pricing, the Greeks and the various options positions, and explains the basic structure of plain vanilla swaps and how corporations use swaps to manage their risk. It ends with a discussion of how futures and options are traded and the use of margin.

Please note that this is a curriculum of individual course modules. You will need to pass each module exam in order to qualify for a certificate of completion.

This is an asynchronous eLearning program that can be accessed 24/7 from any internet enabled computer.

### Targeted Audience

Traders, sales and business development professionals, backoffice staff, financial analysts, auditors and compliance staff.

### Advance Preparation

No advance preparation required.

### Prerequisites

None

### Learning Objectives

Students will be able to:

- . Distinguish between forward and futures contracts
- . Recognize how forward and futures contracts work

- . Identify methods using forwards and futures for hedging and speculation
- . Recognize the terms used when investing with options
- . Describe basic option strategies
- . Determine the appropriate option vehicle for different investment goals
- . Differentiate between covered and uncovered positions
- . Describe the relationship of the factors affecting the price of an option
- . Understand how futures and options are traded
- . Identify margin requirements
- . Describe the effects of margin on option and futures trading.
- . Define a swap.
- . Identify the structure of a swap agreement.
- . Distinguish applications of swaps
- . Recognize how swap agreements are facilitated.

## **Alumni Comments**

*"The course was very informative and quite appropriate for my beginner level."*

## **Follow-Up Courses**

Forwards & Futures - Online

Options - Online

Risk Management Using Derivatives - Online

Swaps - Online

Credit Derivatives - Online

**Level: Basic**

**CPE Credits: 7**

## Instructional Method: Self-Study

### Detailed Outline

#### **Module 1: Basics of Forwards and Futures - Online**

- . Definitions of forwards and futures
- . Spot vs. forward delivery
- . Basics of pricing
- . Characteristics of forwards
- . Characteristics of futures
- . Margin
- . Cash settlement vs. physical delivery

#### **Module 2: Introduction to Options - Online**

- . Leveraging Investment
- . Strategies for Investing with Options
- . Speculating with Options
- . Limitations of Options
- . Writing Puts
- . Writing Calls
- . Covered Versus Uncovered Writing
- . Writing Covered Puts
- . Option Pricing Terminology
- . Intrinsic Value and the Time Value of Options
- . Factors Affecting Option Pricing
- . The Underlying and the Strike Price
- . Volatility
- . Risk Free Interest Rate
- . The Greeks
- . Other Option Types

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#### **Module 3: Trading Derivatives - Online**

- . Exchanges
- . Brokers and Dealers
- . Auction Exchanges
- . International Option Exchanges
- . OTC Exchange
- . Internet Exchanges
- . Margin on Futures

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#### **Module 4: Introduction to Swaps - Online**

- . Interest Rate Swaps
  - . Currency Swaps
  - . Interest Rate Swap Pricing
  - . Swap Facilitators
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