IDFM Assignment 2

Q1] C- Out of the money

Q2] B- 4

Q3] D- A call writer

Q4] A- Protective put

Q5] B-5.98

Q6] C- 480

Q7] D- Buy one share of the stock, buy a 90 call, buy a 110 put, sell two 100 puts

Q8] B-Short the call and long the stock

Q9] D- The call option is in-the-money, but the put option is out-of-the-money.

Q10] C- Butterfly spread

Q11] B- Strangle

Q12] D-Loss of Rs. 25,000

Q13] B-6

Q14] B- High correlation with traditional investments

Q15] C- It is an investment opportunity available to the public and requires hefty investment.

Q16] A- Construction of infrastructure assets.