

2. DERIVATIVES & RISK MANAGEMENT

Sr. No.	Unit	
1	Introduction to Risk & Risk Management - Framework <ul style="list-style-type: none">• Introduction• Risk management process• Risk treatment• Risk management approaches & methods• Risk management organization structure• Risk management framework• Components of risk management• Identification• Measurement• Mitigation• Reporting & monitoring• Governance• Keywords• Exercise	
2	Introduction to Derivatives <ul style="list-style-type: none">• Introduction• Types of derivatives• Development of exchange –traded derivatives• Global derivatives market• Derivatives market in India• Keywords• Exercise	
3	Trading And Clearing Mechanism Of F&O Market <ul style="list-style-type: none">• Introduction• Important entities in the trading system• Clearing bank• Clearing member eligibility norms• Order types, order condition and order matching rules• Clearing & settlement of F&O trades• Clearing mechanism• Final settlement of future• Keywords• Exercise	
4	Future/Forwards Markets Pricing Theories	

	<ul style="list-style-type: none"> • Introduction • The valuation of forward & future contract • Valuing forward contract • Valuing future contract • The relationship between forward & future prices • Keywords • Exercise 	
5	Hedging Strategy Using Futures/Forwards <ul style="list-style-type: none"> • Introduction • Basic strategies using future • Short hedges • Long hedges • Cross hedging • Trading strategies using options • Keywords • Exercise 	
6	Option Market: Mechanics <ul style="list-style-type: none"> • Introduction • Type of options • Option positions and profit/loss diagrams • Underlying assets • Specifications • Trading options • Margins • Taxations • Warrants • employee stock option and convertible • Keywords • Exercise 	
7	Properties and Pricing of Options contracts <ul style="list-style-type: none"> • Introduction • call & put options? • options contract • Features of option contract • Over the counter option contract • Call & put option contract valuation • Difference between option contract & future contract • Keywords • Exercise 	
8	Options Trading Strategies	

	<ul style="list-style-type: none"> • Introduction • Buying calls (long calls) • Covered calls • Protective calls • Other options strategy • Protective called strategies • Long straddle strategies • Long strangle strategies • Level of option trading 	
9	<p>Interest Rate Futures</p> <ul style="list-style-type: none"> • Introduction • How does interest rate affect futures? • Features of interest rate future • Type of interest futures • Advantages of interest rate futures • Keywords • Exercise 	
10	<p>Interest Rate Swaps and Currency Swaps</p> <ul style="list-style-type: none"> • Introduction • Origin of interest rate swaps • Types of interest rate swap currency swap • Types of contracts • Difference between interest rate swap & currency swaps • Keywords • Exercise 	