**FINAL EXAM REVIEW**

**SECTION I – OPTIONS 30 points**

1. Uncovered Strategies
	1. Buy/Sell Call, Puts and Straddles



* 1. Spreads: Bull, Bear, Butterfly



1. Black Scholes Option Pricing for Calls/Puts





**SECTION II – FORWARDS/FUTURES (35 points)**

1. Hedge Strategies (100% Hedged, Partial, Optimal)



H = Cor x (SD k / SD s)

H x Volume / Contracts

1. Short/Long Future Contracts

John bought a long position on Silver – locked in K = $15.45 per oz for 1 contract (5,000 oz)

At delivery day Silver in $16.45 – what is profit and loss of John

Profit; $1 x 5,000 = 5,000 profit

**SECTION III – SWAPS AND CDS (35 points)**

1. Interest Rate Swap (2 Party Swap with Swap rate)



1. Currency Swap



1. CDS Spreadsheet

