

Unit 3 - Week 1: Introduction to Financial Markets and Instruments

Course outline

How to access the portal?

Week 0

Week 1: Introduction to Financial Markets and Instruments

- Lec 1: Introduction to Financial Markets and Bonds
- Lec 2: Introduction to Stocks, Futures & Forwards and Swaps
- Lec 3: Introduction to Options
- Quiz : Assignment 1
- Solution: Assignment 1
- Feedback Form

Week 2: Time Value of Money and Riskfree Assets

Week 3: Modern Portfolio Theory (Part 1)

Week 4: Modern Portfolio Theory (Part 2)

Week 5: Fundamentals of Derivatives

Week 6: Derivative pricing by replication in binomial model

Week 7: Risk-Neutral Pricing in Discrete-Time (Part 1)

Week 8: Risk-Neutral Pricing in Discrete-Time (Part 2)

Week 9: Introductory Stochastic Calculus (Part 1)

Week 10: Introductory Stochastic Calculus (Part 2)

Week 11: Risk-Neutral Pricing in Continuous-Time (Part 1)

Week 12: Risk-Neutral Pricing in Continuous-Time (Part 2)

Text Transcripts

Live Session

Assignment 1

The due date for submitting this assignment has passed.
As per our records you have not submitted this assignment.

Due on 2019-08-14, 23:59 IST.

1)

Person A borrows an amount of 10000 from Person B and promises to return this amount and also pays an interest of 2000, after two years. Then the debtor is Person _____.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) A

1 point

2)

State whether the following statement is TRUE or FALSE:

The number of payments received by the creditor of a zero-coupon bond is two.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) False

1 point

3)

Suppose that a coupon bond is priced at 5000 today with a nominal value of 6500 after two years then the bond is said to sell _____ par.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) below

1 point

4)

The three typical kinds of risk of a bond are _____ risk, inflation risk and liquidity risk.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) default
(Type: String) credit

1 point

5)

The share of the company's profits received by a stockholder of the company is called _____.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) dividend
(Type: String) dividends

1 point

6)

Person A buys a stock for 500 and sells it for 630 after one year. Then the capital gain for Person A is _____.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: Numeric) 130

1 point

7)

State whether the following statement is TRUE or FALSE:

The number of monetary exchange up-to and including expiration does not exceed one in a futures contract.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) False

1 point

8)

Person A enters into a forward contract to sell a stock to Person B after six months, for the price of 450. If the spot price of the stock after six months is 420, then the amount of money received by Person B, from the forward contract is _____.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: Numeric) 30

1 point

9)

Person A buys a six-month European put option with strike price of 500, with the option price being 20. If the spot price of the underlying asset after six-months is 465, then the gain for Person A (taking into account the price 20 of the option and without taking into account the time value of money) is _____.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: Numeric) 15

1 point

10)

When an European call option is in-the-money, then an European put option of same maturity and same strike on the same underlying asset as the European call option will be _____-of-the-money.

No, the answer is incorrect.
Score: 0

Accepted Answers:
(Type: String) out

1 point