## CFA ${ }^{\oplus}$ SAMPLE QUESTION - LEVEL I <br> Derivatives

Q: An investor purchases a 1-month out-of-the-money American call option on a stock. A week later, the stock price is less than the call option strike price. The time value of the option is most likely:
(a) Zero.
(b) A positive amount.
(c) A negative amount.


