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CFA® SAMPLE QUESTION – LEVEL I Derivatives

- **Q:** Which of the following BEST DESCRIBES both forward and futures contracts?
- (a) Futures contracts trade on an organized futures exchange while forward contracts are regulated by the OTC market.
- **b** A forward contract is considered a flexible derivatives instrument while a futures contract is relatively inflexible.
- Forward contracts require standardized contract terms while futures contracts can be customized.



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