

## 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.
  - c** Forward contracts require standardized contract terms while futures contracts can be customized.



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