

CFA® SAMPLE QUESTION - LEVEL I

Derivatives

Q: For a European call option $X = 25$ and a European call option $X = 30$ on the same stock with the same time to expiration it is true that, when the 30 call is at- or in-the-money, the strongest statement we can make is the:

- (a)** 30 call is worth at least as much as the 25 call.
- (b)** value of the 25 call is greater than or equal to the value of the 30 call.
- (c)** value of the 25 call is greater than the value of the 30 call.



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