

Annexure I – Syllabus Outline

NISM-Series-VIII: Equity Derivatives Certification Examination

Objective of the Examination

The examination seeks to create a common minimum knowledge benchmark for associated persons functioning as approved users and sales personnel of the trading member of an equity derivatives exchange or equity derivative segment of a recognized stock exchange.

The examination aims to enable a better understanding of various derivatives products available in equity derivatives markets, regulations and risks associated with the products and the exchange mechanisms of clearing and settlement. The examination also covers knowledge competencies related to the understanding of the financial structure in India and the importance of the different rules and regulations governing the Indian securities market, especially those related to the equity derivatives segment.

On successful completion of the examination the candidate should:

- Know the basics of the Indian equity derivatives market.
- Understand the various trading strategies that can be built using futures and options on both stocks and stock indices.
- Understand the clearing, settlement and risk management as well as the operational mechanism related to equity derivatives markets.
- Know the regulatory environment in which the equity derivatives markets operate in India.

Examination Specifications

This is a computer-based examination with multiple choice questions.

The examination is for a total of 100 marks consisting of 100 questions of 1 mark each.

The examination should be completed in 2 hours.

There shall be negative marking of 25% of the marks assigned to a question.

The passing score for the examination is 60 marks.

Syllabus Outline with Weightages

Unit No.	Unit Name	Weightage
Unit 1	Basics of Derivatives	8%
Unit 2	Understanding Index	2%
Unit 3	Introduction to Forwards and Futures	25%
Unit 4	Introduction to Options	25%
Unit 5	Option Trading Strategies	3%
Unit 6	Introduction to Trading Systems	4%
Unit 7	Introduction to Clearing and Settlement System	13%
Unit 8	Legal and Regulatory Environment	15%
Unit 9	Accounting and Taxation	3%
Unit 10	Sales Practices and Investor Protection Services	2%