

Annexure I – Syllabus Outline

NISM-Series-XIII: Common Derivatives Certification Examination

Objective of the Examination

The examination seeks to create a common minimum knowledge benchmark for:

- The approved users and sales personnel of the trading members of the Currency Derivatives Segment of a recognised stock exchange and trading in Currency Derivatives
- The approved users and sales personnel of the trading members who are registered as such in the Currency Derivatives Segment of a recognized stock exchange and trading in Interest Rate Derivatives
- The associated persons functioning as approved users and sales personnel of the trading members 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 the three derivatives segments (i.e., Equity Derivatives, Currency Derivatives and Interest Rate Derivatives), regulations and risks associated with these 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 exchange traded derivatives.

On successful completion of the examination the candidate should:

- Know the basics of the Indian derivatives market (covering Equity Derivatives, Currency Derivatives and Interest Rate Derivatives).
- Understand the various trading and hedging strategies that can be built using futures and options.
- Understand the clearing, settlement and risk management as well as the operational mechanism related to the derivatives markets.
- Know the regulatory environment in which the derivatives markets operate in India.

Examination Specifications

- This is a computer-based examination with multiple choice questions.
- The examination consists of 150 questions of 1 mark each adding to 150 marks.
- The examination should be completed in 3 hours.
- There shall be negative marking of 25% of the marks assigned to the question for each wrong answer.
- The passing score for the examination is 90 marks.

Syllabus Outline with Weightages

	Syllabus Outline	Weightage (Marks)	Weightage (%)
1	Basics of Derivatives	6	4%
2	Introduction to the Underlying Markets	24	16%
3	Introduction to Forwards and Futures	20	13%
4	Strategies Using Futures	24	16%
5	Introduction to Options	22	15%
6	Option Trading Strategies	4	3%
7	Introduction to Trading, Clearing, Settlement & Risk Management	25	17%
8	Legal and Regulatory Environment	14	9%
9	Accounting and Taxation	6	4%
10	Sales Practices, Code of Conduct and Investor Protection Measures	5	3%
		150	100%