

## **Annexure I – Syllabus Outline**

### **NISM-Series-IV: Interest Rate 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' who are registered as such in the Currency Derivatives Segment of a recognized stock exchange and trading in Interest Rate Derivatives.

On successful completion of the examination the candidate should:

- Know the basics of fixed income securities markets and specifically interest rate derivative markets in Indian and developed world.
- Understand the analytical framework required for Bond Futures market in India along with trading and hedging strategies involved
- Understand the clearing, settlement and risk management as well as the operational mechanism related to interest rate derivatives markets
- Know the regulatory environment in which the interest rate 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**

<b>Unit No.</b>	<b>Unit Name</b>	<b>Weightage</b>
Unit 1	Introduction to FIS and Interest Rate Market	5%
Unit 2	Interest Rate Derivatives	10%
Unit 3	Analytical Framework for Interest-sensitive Products	10%
Unit 4	Bond Futures Market in India	15%
Unit 5	Hedging and Speculation	15%
Unit 6	Operational Mechanism	15%
Unit 7	Clearing, Settlement and Risk Management	20%
Unit 8	Regulatory Framework and Compliance	10%