

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 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 equity derivatives markets, risks associated with those products and the trading, clearing and settlement mechanisms of equity derivatives. The examination also covers knowledge competencies related to the understanding of regulations governing the Equity derivatives markets in India.

On successful completion of the examination the candidate should:

- Know the basics of the Indian equity derivatives markets.
- Understand various trading strategies that can be built using equity derivatives.
- Understand clearing, settlement and risk management in 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 consists of 100 questions of 1 mark each adding to 100 marks.

The examination should be completed in 2 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 60 marks.

Syllabus Outline with Weights

Unit No.	Unit Name	Weightage
Unit 1	Basics of Derivatives	10
Unit 2	Understanding Index	5
Unit 3	Introduction to Forwards and Futures	20
Unit 4	Introduction to Options	20
Unit 5	Strategies using Equity Futures and Equity Options	10
Unit 6	Trading Mechanism	10
Unit 7	Clearing, Settlement and Risk Management	10
Unit 8	Legal and Regulatory Environment	5
Unit 9	Accounting and Taxation	5
Unit 10	Sales Practices and Investor Protection Measures	5