candidates should be able to:

Demonstrate knowledge of volatility arbitrage. Including:

* Understand the volatility arbitrage strategies.
* Describe the terms volatility and vega.
* Explain instruments used by volatility arbitrage funds.
* Calculate the payoffs to variance swaps.
* Discuss risks contained in over-the-counter traded instruments relative to exchange-traded derivatives.
* Discuss volatility arbitrage strategies.
* Understand market-neutral volatility funds.
* Understand and apply the challenges of estimating dispersion.
* Explain tail risk strategies.
* Understand the dispersion trade.
* Explain profit and loss on dispersion trades.
* Summarize the key observations on relative value volatility funds returns that are consistent with economic reasoning.