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**Movie** - The Big Short

**Key finance related terms used in the film:**

1. Mortgage Bonds - It is a bond backed up by a collection of mortgages on assets such as a house.
2. Subprimes - They refer to riskier mortgages that have high loan interests due to the high risk in lending them.
3. Shorting of Bonds - technically, to bet against a bond. It means to sell a bond expecting its value to go low in future.
4. CDO - Collateralized Debt obligation is a pool of various types of debt including mortgages, loans or bonds. These CDOs were the main reason for the financial crisis of 2006-07.
5. Synthetic CDO - A synthetic CDO is like a bet made against some outcome. Based on which outcome is more favourable, the bet is set to have different risk levels. Betting on a very less favourable outcome will give you very high returns if you win, but due it being less probable to happen, it also has a very high risk.

**Main Characters in the film:**

1. Micheal D Burry
2. Mark Baum
3. Vinny Daniel
4. Jared Vennet

The movie is based on the true story of how few financial experts predicted the incoming of a financial crisis that actually did take place in 2006-07. The crisis also known as The Great Recession started when the big banks flourished making billions out of mortgaged bonds. Though, they eventually ran out mortgages to put in them because obviously, there were only a limited number of people who had jobs paying them enough to buy homes. This is when these big banks started to fill these bonds with riskier mortgages i.e. subprimes. Just to run this big money system, the banks started lending loans to even the people that weren’t qualified to get them and this whole housing loan industry seemed quite stable to everyone in the whole Wall Street. Well, except for some financial experts. Dr. Burry, Mark Baum, Vinny Daniel and Jared Vennet saw that this whole industry is going to fall and rupture the whole american economy soon enough and took the opportunity to bet against these Bonds i.e. shorted their bonds.

**Couldn’t think of a good meme 🤕**