Sheet 7 I T

1. A one-year forward contract is an agreement where
A. One side has the right to buy an asset for a certain price in one year's time.
B. One side has the obligation to buy an asset for a certain price in one year's time.
C. One side has the obligation to buy an asset for a certain price at some time during the next year.
D. One side has the obligation to buy an asset for the market price in one year's time
2. Which of the following is NOT true

A. **When a CBOE call option on IBM is exercised, IBM issues more stock**
B. An American option can be exercised at any time during its life
C. An call option will always be exercised at maturity if the underlying asset price is greater than the strike price
D. A put option will always be exercised at maturity if the strike price is greater than the underlying asset price
3. A one-year call option on a stock with a strike price of $30 costs $3; a one-year put option on the stock with a strike price of $30 costs $4. Suppose that a trader buys two call options and one put option. The breakeven stock price above which the trader makes a profit is

A. **$35**
B. $40
C. $30
D. $36
4. A one-year call option on a stock with a strike price of $30 costs $3; a one-year put option on the stock with a strike price of $30 costs $4. Suppose that a trader buys two call options and one put option. The breakeven stock price below which the trader makes a profit is

A. $25
B. $28
C. $26
D. **$20**
5. Which of the following is approximately true when size is measured in terms of the underlying

principal amounts or value of the underlying assets
A. The exchange-traded market is twice as big as the over-the-counter market.
B. The over-the-counter market is twice as big as the exchange-traded market.
C. The exchange-traded market is ten times as big as the over-the-counter market.
D. **The over-the-counter market is ten times as big as the exchange-traded market.**
6. Which of the following best describes the term "spot price"

A. **The price for immediate delivery**
B. The price for delivery at a future time
C. The price of an asset that has been damaged
D. The price of renting an asset

7. Which of the following is true about a long forward contract

A. The contract becomes more valuable as the price of the asset declines
B. **The contract becomes more valuable as the price of the asset rises**
C. The contract is worth zero if the price of the asset declines after the contract has been entered into
D. The contract is worth zero if the price of the asset rises after the contract has been entered into.
8. An investor sells a futures contract an asset when the futures price is $1,500. Each contract is on 100 units of the asset. The contract is closed out when the futures price is $1,540. Which of the following is true

A. The investor has made a gain of $4,000
B. **The investor has made a loss of $4,000**
C. The investor has made a gain of $2,000
D. The investor has made a loss of $2,000
9. Which of the following describes European options?

A. Sold in Europe
B. Priced in Euros
C. **Exercisable only at maturity**
D. Calls (there are no puts)

10. Which of the following is NOT true

A. A call option gives the holder the right to buy an asset by a certain date for a certain Price.
B. A put option gives the holder the right to sell an asset by a certain date for a certain Price.
C. **The holder of a call or put option must exercise the right to sell or buy an asset.**
D. The holder of a forward contract is obligated to buy or sell an asset.

Q2) Do you know what the following computing-related acronyms stand for?

1. SMTP
Simple Mail Transfer Protocol
2. WWW
World Wide Web
3. ROM
Read-Only Memory
4. SRAM
Static Random Access Memory
5. LAN
Local Area Network
6. CPU
Central Processing Unit

7. DES
Data Encryption Standard
8. FTP
File Transfer Protocol
9. HTTPS
HyperText Transfer Protocol Secure
10. VPN
Virtual Private Network

Q3) **2. What is the name for a network that allows communication within an organisation?**

Intranet

3. Which was the first product to be produced by Apple that had a name beginning with their trademark small letter 'i'?

iMac (specifically 'iMac G3' launched in 1998)

4. BINAC was an early electronic computer, launched in 1949. What did BINAC stand for?

Binary Automatic Computer

5. If a URL ends with .mx, in which country would you expect it to be based?

Mexico

6. How is Sonic the Hedgehog's fox friend 'Miles Prower' better known?

Tails

7. In which decade was the Hubble Telescope launched?

1990s (1990 exactly)

8. Which science-fiction author wrote about the Three Laws of Robotics?

Isaac Asimov

9. Which project was the first human spaceflight programme by the USA?

Project Mercury

10. Which method of radio broadcasting uses frequencies between 87.5 and 108 MHz?

FM

Q4) What does emerging trend mean in information technology?

Information technology refers to tools and techniques for managing data. These have become prominent in business and society over recent decades. Numerous other activities now depend on information technology.

Q5) What is mobile technology?

In computer science, devices refer to pieces of hardware that work together. These devices come in numerous sizes. Each device has been made for its own use cases.

Q6) What was the first smartphone?

A smartphone is a device that is developed with the mobile operating system, various applications providing different functionalities. This mobile device can be used for various purposes like making phone calls, text messaging, capturing photos, playing audios/videos, and accessing data from the Web.

Q7) What is a modem?

Computers understand digital signals but the internet transmits analog signals. Incoming signals from the internet are analog and need to be converted into digital before being understood by a computer.

Q8) What is wireless internet?

The Internet contains a lot of information and tools. Some people use it to teach themselves essential skills such as for school and others use it to keep in touch with friends through social media sites.

Q9) What is a firewall?

Firewalls are considered a safety feature and most people are behind a firewall that they don't think much about. Most people who are behind one have never had to physically install one.

Q10) What is ANSI code?

Writing a code is writing a precise set of instructions that a computer or a device can understand. It explains exactly what you want your computer to do at any given moment. For example, computers need to know exactly how to react to things like the clicking of a mouse or the pushing of a button, and whatever happens, is ultimately happening because of lines of code written by human programmers.