

**QUIZ 1**

**Correct Answers are highlighted**

**1.**  A call option is the right but not obligation to buy stock at a certain price at a certain expiration

True or False

**2**.  Buying Calls have Higher Margin than Buying Stock

True or False

**3.**  What has the most risk

A.  Buying Calls

B.  Buying Puts

C.  Selling Puts

D.  Selling Calls

**4.**  What has the highest Gamma?

A.  Out of the Money Calls

B.  Out of the Money Puts

C.  In the Money Calls

D.  At the Money Calls

**5.**  AK's favorite trades are

1.  Buy Calls

2.  Buy Straddles

3.  Sell Straddles

4.  Sell Calls

**6.**  You have blowout risk when

A.  Sell Calls

B.  Sell Straddles

C.  Sell Strangles

D.  All of the Above