

Quiz 6

1.  When a trader sells a straddle the most they can lose is?

A.  Unlimited

B.  Limited

C. Price they sell it for

D.  Cant determine it

2.  When a trader buys a straddle the most they can lose is?

A.  Unlimited

B.  Limited

C. Price they sell it for

D.  Cant determine it

3.  What has more risk?

A.  Long Straddle

B.  Short Straddle

4.  When buying a strangle, you are:

A.  Buying Gamma

B.  Buying Vega

C.  Buying Volatility

D.  All of the Above

5.  When selling a strangle you are:

A.  Buying Volatility

B. Buying Gamma

C.  Buying Vega

D.  Selling Theta

6.  What has the most risk

A.  Buying Straddles

B.  Buying Strangles

C.  Buying Calls

D.  Selling Calls