

(Sec-3)

3 What is meaning of call option.

↓ call option -
call option are financial contracts that give the option buyer the right, but not the obligation to buy a stock, bond, commodity or other asset or instrument at a specified price, which a specific time period. The stock, bond or commodity is called the underlying asset.

A buy call option may be contracted with a put which gives to the holder the right to sell the asset increases in price.

A call option may be contracted with a put which at specified price on the before expiration.

- A call is an option contract giving the owner the right but not the obligation to purchase a specified price as known as the strike price and specified time during which a sale is made or its expiration or time to maturity.
- Call option may be purchased for speculation, or sold for income purpose. They may also be combined for use in spread or combination strategies.