

## Section-3

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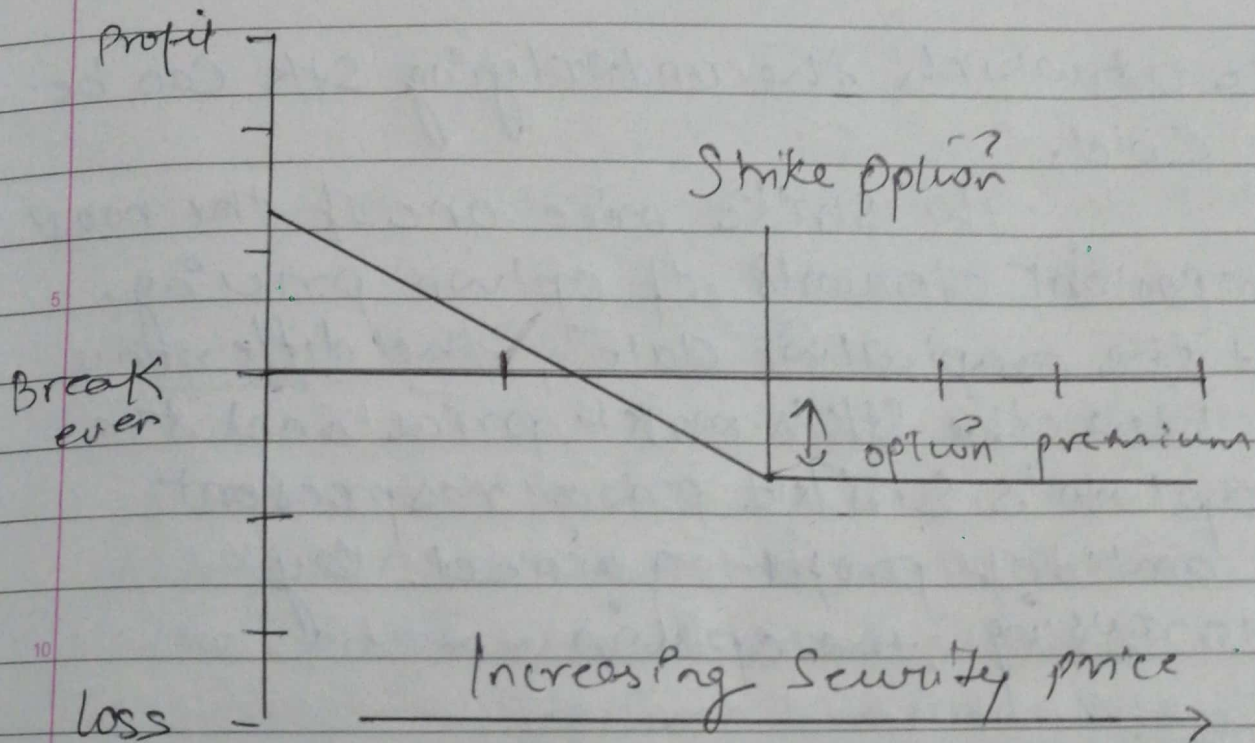
Define the Term put option?

Put options ↴

- 1 Put gives holders of the option the right but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time period.
- 2 Put options are available on a wide range of assets, including STK index, commodities and currencies.
- 3 put option price are affected by the underlying assets price and time decay they increase in value as the underlying assets falls in price and losses value.

For example ↴

A enters into a contract with B whereby he has the option to sell 100 ounces of gold to B at a price of 400 \$ anytime before Aug 1



Put option