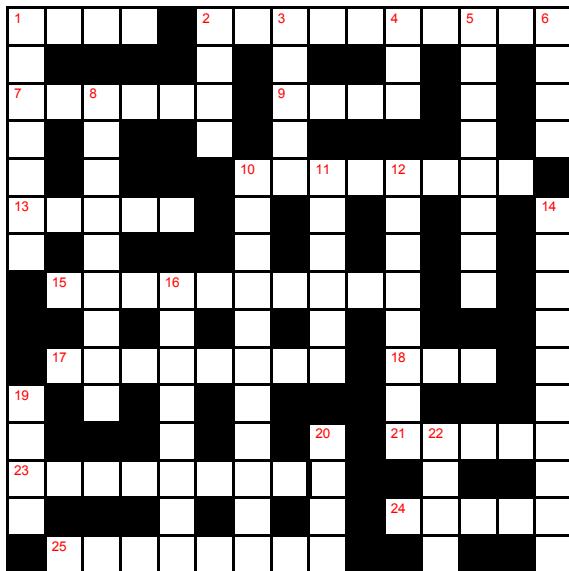


Market_Risk_Management_15x15_2008-10-19

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Across

- 1 The rate of change in the price of a derivative security relative to the volatility of the underlying security. (4)
- 2 An option strategy that makes its maximum profit when the underlying stock declines and has its maximum risk if the stock rises in price. (4,6)
- 7 To control the supply of something for which demand significantly exceeds supply. (6)
- 9 Operation that segregates items into groups according to a specified criterion. (4)
- 10 A risk management technique in which the trade is liquidated to halt any further decline in value. (4-4)
- 13 The ratio of the change in an option price to the decrease in time to expiration. Also called time decay. (5)
- 15 Exposure to the

uncertain market value of a portfolio. (6,4)

- 17 _____ exercise - A provision that permits exercise of an option only at expiration. (8)
- 18 A risk management technique for protecting an institution's capital. (3)
- 21 A measure of the sensitivity of the price of an option to a change in its implied volatility. (5)
- 23 _____ option - An option on an option. (8)
- 24 _____ Accord (1988) - An international accord on bank capital requirements. (5)
- 25 A measure of the peakedness of a probability distribution. (8)

Down

- 1 A specific numerical value of a variable. (7)

2 BIS stands for _____ for International Settlements. (4)

3 ALM stands for _____ - Liability Management. (5)

4 An option to sell an asset. (3)

5 Credit _____ - The potential for loss in the event of a default. (8)

6 _____ option - An outperformance option. (4)

8 The part of the price of an option that is due to the time remaining between the current date & the expiration date of the option. (4,5)

10 'S' in 'BIS' stands for _____. (11)

11 Right to buy or sell at a specified price during a specified period subject to specified terms. (6)

12 _____ option - An option that, at maturity, pays off based on the maximum or minimum stock price over the life of the

option. (8)

14 _____ Lending - Collateralized lending. (5-5)

16 _____ option - An option that becomes worthless when the price of the option's underlying instrument or market reaches a previously agreed upon point. (5-3)

19 A piece of information about circumstances that exist or events that have occurred. (4)

20 The happening of the event for which insurance pays. (4)

22 As soon as possible. (4)