



Accredited Derivatives Adviser Level 1

Subject outline

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Subject overview

This subject is for representatives of an ASX market participant seeking to become an Accredited Derivatives Adviser Level 1. The subject aims to provide students with a comprehensive understanding of the knowledge and skills required to provide advice on basic derivatives transactions including:

- taking options
- writing options, but only for the purpose of closing out a position or writing covered call options
- subscribing for, and buying and selling warrants
- exercising warrants and options
- other ASX derivatives products and strategies as prescribed in the ASX's procedures.

Learning outcomes

Upon successful completion of this subject, students should be able to:

1. Demonstrate their knowledge of the Australian economy and financial markets with particular emphasis on the share market
2. Demonstrate their knowledge of the Australian financial system with reference to the various financial intermediaries, products, services and markets
3. Describe and use terminology defining options markets, strategies, trading and warrants
4. Advise on options, warrants and derivatives products traded on the ASX
5. Advise on selling options to close a taken position
6. Write covered call options

Subject topics

Topic 1: Australian economy and financial system

Topic 2: Exchange-traded options: fundamentals

Topic 3: Exchange-traded options: strategies

Topic 4: Warrants: fundamentals, instalments and investment strategies

Topic 5: Trading warrants

Topic 6: Options and warrants: market trading and advising clients

Units of competency

There are no units of competency awarded for completion of the ADA1 subject and exam.

Subject duration and work load

Students have a total of 12 weeks to complete the assessment requirements for Accredited Derivatives Adviser Level 1 (ADA1).

This subject will take students between 60 and 120 hours to complete, depending on their experience in the derivatives industry.

Students should expect to spend up to 10 hours a week reading their subject notes, completing the learning activities and preparing for the exam.

Subject pre-requisites

There are no prerequisites for entry into ADA1, however only representatives of an ASX market participant may be accredited upon successful completion. Kaplan suggests that six months' experience in the derivatives industry would be beneficial due to the specialist nature of the subject content.

Delivery mode

This subject is delivered online.

Kaplan's online learning portal, KapLearn, enables us to provide you with innovative, interactive learning resources and support. You can access KapLearn from anywhere at any time using a computer or mobile device that has internet access.

KapLearn is where you access subject notes, supplementary learning material, practice activities and assessments. KapLearn is also where you access ongoing support. The 'Ask your tutor' forum provides you with continuous technical support from subject matter experts.

Assessment tasks

The assessment task for this subject is:

Examination: Supervised, **closed book** online multiple choice exam.

A three-hour closed book exam of 70 multiple choice questions, based on the six topics in the subject notes. All exam answers can be sourced from the subject notes. Readings and other supplementary materials are not assessable. Students will receive instant results at the completion of the exam.

Students must sit the exam within 12 weeks of their enrolment date.

The exam has four parts:

- Part 1: The Economy (8 questions)
- Part 2: Options (31 questions)
- Part 3: Warrants (22 questions)
- Part 4: Market Operations and Advising Clients (9 questions).

Students must achieve an 80% pass mark in each part of the exam in order to achieve competency. If a student fails their examination, they will be re-examined only on the topic(s) for which they were deemed 'not yet competent'.

An enrolment entitles the student to up to two resit exams on any topics for which they are assessed as 'not yet competent'. Students must complete any resit exams within 4 weeks of their first exam attempt.

If a student fails the exam three times, Market Integrity Rule 2.4.12 requires employees of market participants to request permission from ASIC for further attempts at the ADA exams.

Level 1 Derivatives Accreditation Certificate

On successful completion of the exam, students will receive a letter from Kaplan confirming they have passed the Accredited Derivatives Adviser Level 1 exam.

To become a Level 1 Accredited Derivatives Adviser, the *Application for accreditation of Level 1 Accredited Derivatives Adviser* form must be completed by the student's market participant and forwarded to ASIC. This form can be found on the ASIC website at www.asic.gov.au.

On receipt of a correctly completed form, ASIC will issue the student's market participant with their Level 1 Derivatives Accreditation Certificate.

Fees

An updated schedule of fees is available at the Kaplan Professional website:
<www.kaplanprofessional.edu.au>.

Subject exemptions

There are no exemptions for this subject.

Student policies

Students who enrol in a Kaplan course are bound by our published policies, including the policy that sets out our rules for assessment. Students can review these policies before they enrol by going to the Kaplan website: <www.kaplanprofessional.edu.au>.

The policies also assist students when their study program does not go as planned and they need extra support.