



Zero to Trading in 21 Days

Day 12: Covered Calls



Learn:

Test your knowledge and understanding of the concepts presented in the video.



Review:

Summarize the main points and concepts from the video.



Apply:

Demonstrate how you will apply the concepts from the video into your own trading.



- **What is a covered call?**
- **How many shares of the underlying stock must you own to sell one covered call?**



- **Why is a covered call considered a bullish trade?**
- **What is the break-even point for a covered call?**
- **What happens to your stock when your covered call expires worthless?**
- **What happens to your stock if your covered call expires in the money?**



- **Using the trading platform, place three covered call trades in your virtual account with stocks from your security selection watchlist.**
- **List the break-even points and return on investment for each trade.**