

Introduction to Options

Welcome to Framework Investing's Introduction to Option's Course. I'm Erik Kobayashi-Solomon, the author of *The Intelligent Option Investor* and Framework Investing's Director of Research and Content.

This overview course is designed to offer you a conceptual understanding of options, to place options in their historical context, and to show you how modern options markets developed.

In general, we'll count ourselves successful if we can disabuse you of the mistaken idea – perpetuated by the media – that options are some sort of dangerous, black box enigmas that might “blow up” or inexplicably become “toxic.”

Options are simply tools and any tool can be dangerous in the hands of someone who doesn't understand how to use it properly.

The purpose of Framework's option coursework is to give you the information you need to use these peerless financial tools safely and confidently, to boost growth, protect returns, and generate income.

We'll get started by explaining the characteristics all options share, by creating a good working definition for what an option is, and by briefly looking at options in their historical context.