Vendor: American Bankers Association

Exam Code:CTFA

Exam Name: Certified Trust and Financial Advisor (CTFA)

Version: Demo

QUESTION 1

Which of the following necessary in order to reduce the huge number of possible investments to a smaller number that can investigate carefully?

A. Securing

B. Saving

C. Discounting

D. None of these

Correct Answer: D

QUESTION 2

A call provision, a sinking fund, and/or conversion are used to retire:

A. Bonds and preferred stock

B. Bonds and common stock

C. Preferred stock and common stock

D. Only common stock

Correct Answer: A

QUESTION 3

Standard and poor\\'s 500 index, the Dow Jones Industrial average, or the Toronto stock Exchange index is the examples of:

A. Equity indices

B. Stock exchange indices

C. OTC market indices

D. All of these

Correct Answer: A

QUESTION 4

All of the following is required to calculate the present value figure Except:

A. The amount of future cash flows

B. The length of time

C. The discount rate

D. The retained earnings

Correct Answer: D

QUESTION 5

Valuation technique should be used to measure fair value and is consistent with:

A. Market, income and risk approach

B. Market, performance and cost approach

C. Security, income and risk approach D. Market, income and cost approach

Correct Answer: D

QUESTION 6

The primary purpose of a key person insurance policy is to provide funds on the death of the life assured directly to the deceased\\'s:

A. Children only

B. Employer only

C. Estate only

D. Spouse only

Correct Answer: B

QUESTION 7

Bond prices are expressed as a percentage of:

A. Discount value

B. Par value

C. Future value

D. Intrinsic value

Correct Answer: B

QUESTION 8

A managerial option, in effect:

A. Limits the flexibility of management\\'s decision-making

B. Limits the downside risk of an investment project

C. Limits the profit potential of a proposed project

D. Applies only to new projects

Correct Answer: B

QUESTION 9

Call provisions are often part of _____, but usually not bonds issued by _____.

A. Zero coupon bond, Federal Government bonds

B. Corporate bonds, Zero coupon bonds

C. Corporate and municipal bonds, bonds issued by Federal Government

D. None of these

Correct Answer: C

QUESTION 10

Which of the following statements concerning remote disbursement and controlled disbursement is correct?

A. These two terms mean the same thing--just like working capital means the same thing as current assets

B. Remote disbursement is viewed as an ethical disbursement procedure, whereas controlled disbursement is often viewed as an unethical disbursement procedure

C. Both remote and controlled disbursement are generally perceived as unethical practices and, therefore, their use is in decline

D. Remote disbursement is often viewed as an unethical disbursement procedure, whereas controlled disbursement is not viewed in such a negative light

Correct Answer: D

QUESTION 11

Long term directs in Dow Theory is depicted through:

A. Holes

B. Strings

C. Waves

D. Tides

Correct Answer: D

QUESTION 12

Which of the following is the current market in which all buying and selling is done on cash or margin basis?

A. Target market

B. Historic market

C. Regular market

D. Borough market

Correct Answer: C