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QUESTION 1

A safe-deposit box is a rented drawer in a bank's vault. Boxes can be rented for:

- A. \$40
- B. \$30
- C. \$40-\$85
- D. \$90

Correct Answer: C

QUESTION 2

Which of the following is referred to as risk-free bond?

- A. Government Bond
- B. Municipal bond
- C. Sovereign bond
- D. Junk bond

Correct Answer: A

QUESTION 3

Interest rates and bond prices:

- A. Move in the same direction
- B. Move in opposite directions
- C. Sometimes move in the same direction, sometimes in opposite directions
- D. Have no relationship with each other (i.e., they are independent)

Correct Answer: B

QUESTION 4

The approach in which the investment policy should "identify acceptable ranges for investments in different types of instruments, including cash, equities, bonds and debentures, and real property is known as:

- A. Prudent Person Approach

- B. Cash Outflow Approach
- C. Regular investment Approach
- D. Asset requisition Approach

Correct Answer: A

QUESTION 5

Money market funds bond funds (also called "fixed income" funds), and stock funds (also called equity funds) are the categories of:

- A. Mutual funds
- B. Professionally managed portfolio
- C. Hedge funds
- D. None of these

Correct Answer: A

QUESTION 6

A tax structure in which the larger the amount of taxable income, the higher the rate at which it is taxed is:

- A. Marginal tax rate
- B. Progressive tax structure
- C. Tax bracket
- D. Immovable tax structure

Correct Answer: B

QUESTION 7

The total amount that you have to pay on a certain billing is:

- A. Monthly membership fees
- B. Minimum payment
- C. Outstanding balance
- D. Balancing act

Correct Answer: C

QUESTION 8

_____ is a temporary restriction on program trading in a particular security or market, usually to reduce dramatic price movements.

- A. Super Dot
- B. NYSE direct
- C. Trading curb
- D. Ticker tape

Correct Answer: C

QUESTION 9

A statistical measure of the degree to which two variables (e.g., securities\' returns) move together is:

- A. Coefficient of variation
- B. Variance
- C. Co-variance
- D. Certainty equivalent

Correct Answer: C

QUESTION 10

With which standard, the auditor\'s substantive procedures must include reconciling the financial statements to the accounting records and should include examining material adjustments made during the course of preparing the financial statements.

- A. Integrated Audit Financial Statement
- B. Public Company Accounting Oversight Board
- C. Audit of Financial Reporting over Internal Control
- D. National Association of Insurance Commission

Correct Answer: B

QUESTION 11

All of the following are the forms of risk, EXCEPT:

- A. Political risks
- B. Interest rate risks
- C. Presented risks
- D. Economic risks

Correct Answer: C

QUESTION 12

For reinsurance assumed, the concepts analogous to _____ are referred to as attachment points and limits.

- A. Severity Levels
- B. Frequency Levels
- C. Policy levels
- D. Retention levels

Correct Answer: D

QUESTION 13

A client has previously written to her former adviser opting out of any marketing activities from the firm or any third parties. However she continues to receive direct investment offers from the firm. She should complain based on the firm not complying with which set of regulations?

- A. Conduct of Business rules.
- B. Data Protection Act 1998.
- C. Distance Selling Regulations.
- D. Treating Customers Fairly.

Correct Answer: B

QUESTION 14

A set of possible values that a random variable can assume and their associated probabilities of occurrence are referred to as _____.

- A. Probability distribution
- B. The expected return
- C. The standard deviation

D. Co-efficient of variation

Correct Answer: A

QUESTION 15

General Market indices in the commodities market with which many people would be familiar include:

A. Goldman Sachs Commodities Index (GSCI)

B. Commodities Research board

C. Acme Tool and Die

D. Both AandB

Correct Answer: D

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