

CPB Practice Test Questions and Answers

1. What is credit risk in financial planning?

- A) The risk of inflation rising.
- B) The chance of an issuer defaulting on payment.
- C) The potential for asset diversification.
- D) The risk of currency appreciation.

2. What is a pour-over will in estate planning?

- A) A will that automatically transfers any probate assets into an existing trust at the testator's death
- B) A will that directs assets to charitable organizations
- C) A will designating multiple co-equal beneficiaries
- D) A revocable will that contains no trust provisions

3. What is diversification in portfolio management?

- A) Investing all funds in one stock.
- B) Holding assets in different categories.
- C) Avoiding international investments.
- D) Investing solely in high-yield bonds.

4. What is considered a defensive investment strategy?

- A) Investing heavily in speculative assets
- B) Focusing on high-dividend and low-volatility stocks
- C) Using leverage for higher gains
- D) Avoiding diversification

Answers: 1-B 2-A 3-B 4-B

For More CPB Questions and Answers FREE, CPB Online Prep Training,
CPB Exam, CPB Study Guide, CPB Flashcards, CPB Quizzes visit:

CPB Practice Test