

# RAA Practice Test Questions and Answers

## 1. What is an annuity?

- A) A type of insurance policy.
- B) A fixed investment plan.
- C) A financial product that provides periodic payments
- D) A government bond.

## 2. What is a life annuity?

- A) An annuity that only pays for 10 years.
- B) An annuity that pays as long as the annuitant lives
- C) An annuity that pays for a fixed number of years.
- D) An annuity that pays based on market conditions.

## 3. What is a fixed annuity?

- A) An annuity with variable payments.
- B) An annuity with a fixed interest rate
- C) An annuity that fluctuates with the stock market.
- D) An annuity that invests in real estate.

## 4. What is asset allocation?

- A) Investing in only one asset class.
- B) Diversifying investments across various asset classes to balance risk and return
- C) Only investing in stocks.
- D) Investing based on past performance alone.

**Answers: 1-C 2-B 3-B 4-B**

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