

RIA Practice Test Questions and Answers

1. What is an ETF?

- A) A type of bond.
- B) A mutual fund that isn't regulated.
- C) A stock index.
- D) An exchange-traded investment fund.

2. Churning refers to:

- A) Excessive trading to generate commissions at client's expense
- B) Switching clients between advisers
- C) Changing investment strategies quarterly
- D) Investing in high-turnover mutual funds

3. A zero-coupon bond:

- A) Pays semiannual interest
- B) Is issued at par with variable payments
- C) Is sold at a discount and pays face value at maturity
- D) Is only available to institutional investors

4. The Sharpe ratio measures:

- A) Total return relative to benchmark
- B) Return per unit of total risk
- C) Beta relative to the market
- D) Downside risk only

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

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

RIA Practice Test