

# Stock Advisor Practice Test Questions and Answers

## 1. What does CFP stand for?

- A) Consolidated Financial Planning
- B) Certified Financial Planner
- C) Continuous Financial Progress
- D) Change for Progress

## 2. What is 'passive investing'?

- A) Investing without research
- B) Tracking a market index rather than actively selecting individual securities
- C) Holding cash equivalents only
- D) Investing only in dividend-paying stocks

## 3. What is a 'target-date fund'?

- A) A fund that only buys stocks expiring on a set date
- B) A fund that automatically shifts from aggressive to conservative allocation as a target retirement year approaches
- C) A mutual fund that rebalances daily
- D) A bond fund maturing on a specific date

## 4. What is 'enterprise value' (EV)?

- A) A company's stock market capitalization only
- B) The total value of a company including market cap, debt, and minus cash — representing what an acquirer would pay
- C) Total assets minus total liabilities on the balance sheet
- D) Annual revenue multiplied by the industry average P/E

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

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