

- 1 If there were exit charges on my Unit Trust why wouldn't there be a buying and selling price?
  - A. Because there is a spread
  - B. There is always a buying and a selling price
  - C. Legislation
  - D. The trust has a single price with an exit cost
- 2 Deposit and money-market deposit, interest bearing are all kinds of what?
  - A. Mortgages
  - B. ISA
  - C. Bank Accounts
  - D. Unit Trusts
- 3 If I sold my Private Rolls Royce would I be liable for Capital Gains Tax?
  - A. Yes
  - B. At a certain level yes
  - C. No
  - D. Not until you use the money
- 4 What is the tax level for Disability Living Allowance?
  - A. 10%
  - B. 20%
  - C. Its tax free
  - D. 5%
- 5 If I were to move abroad if I put money in a foreign bank and paid no tax. When I moved there how much tax would I pay any tax on the money?
  - A. You would get a rebate of 10%
  - B. You would get a rebate of 20%
  - C. None
  - D. 5%
- 6 What is the one of the most important factors when looking where to get a buy to let property?
  - A. Location
  - B. Size of property
  - C. Stamp Duty
  - D. Buy to let ratio
- 7 What are the two possible components of the ISA?
  - A. Gilts and Bonds
  - B. Shares and OEIC's
  - C. Trusts and OEIC's
  - D. Stocks and Shares and Cash

- 8 Name the two components of Disability Living Allowance?
- A. Care Component and Age component
  - B. Care Component and Life component
  - C. Care Component and Health component
  - D. Care Component and Mobility component
- 9 Are investment bonds similar to Unit Trusts?
- A. Very similar
  - B. Use the same legal structure
  - C. They have trading similarities
  - D. No very different
- 10 If I carpetbag some shares of a mutual company what would I have to do?
- A. Become a director
  - B. Sell my shares
  - C. Become a member of the Mutual before it becomes a proprietary
  - D. Buy Gilts
- 11 Dividends on a unit trust for a higher rate tax payer are \_\_\_\_\_?
- A. 40%
  - B. Tax free
  - C. Deferrable
  - D. Payable
- 12 If my low cost endowment pays out more than it was projected do I have to pay tax on the extra?
- A. You will receive a rebate for any tax paid
  - B. No
  - C. 10%
  - D. Normal tax levels apply
- 13 How many hours must I spend caring to receive Carers allowance?
- A. 16 hours
  - B. 25 hours
  - C. 35 hours
  - D. 40 hours
- 14 A derivative is \_\_\_\_\_ from another financial product?
- A. Copied
  - B. Funds profits
  - C. Removed
  - D. Derived

- 15 What are the typical management charges for an OEIC?
- A. 25% to 28%
  - B. 10% to 20%
  - C. 1.5% to 5%
  - D. 0.5% to 2%
- 16 Give the two most common type of retail Banking organisations?
- A. Trusts and Euro Banks
  - B. Banks and Building Societies
  - C. Mortgage companies and Investment companies
  - D. None of the above
- 17 With a rights issue who must be offered shares first?
- A. The stock market
  - B. New customers
  - C. The competition
  - D. Existing shareholders
- 18 The share value of an investment trust is total price divided by the price?
- A. The statement is incorrect
  - B. The statement is correct
  - C. It is multiplied by
  - D. It is equals
- 19 Which of these is not an ADL?
- A. Using the Toilet
  - B. Dressing
  - C. Going to the shops to buy food
  - D. Washing
- 20 If I die before paying off my repayment mortgage does it still have to be paid by my spouse?
- A. It is frozen until a solution is found
  - B. It becomes the governments problem
  - C. Yes
  - D. No
- 21 Can I change my country of Domicile?
- A. No
  - B. Yes
  - C. In UK only
  - D. In Europe Only

- 22 What is the term in years for Short dated gilts?
- A. Less than 1 Years
  - B. Less than 2 Years
  - C. Less than 3 Years
  - D. Less than 5 Years
- 23 Knowing your customer when gathering information doesn't mean their attitude to providing for \_\_\_\_\_?
- A. Themselves
  - B. Others
  - C. The future
  - D. Insurance
- 24 What is the most secure place for my money from the list?
- A. Local Authority Stocks
  - B. GILTS
  - C. Unit Trusts
  - D. OEIC
- 25 Since 1979 what has been the main way for a Government to influence the economy?
- A. Legislation
  - B. Fiscal Policy
  - C. Mortgage companies
  - D. MPC
- 26 The CGT payment on a Unit trusts is \_\_\_\_\_?
- A. 0%
  - B. 10%
  - C. 12%
  - D. 15%
- 27 Which one of these is not a income support payment?
- A. Personal allowances
  - B. Taxable Gift
  - C. Premiums
  - D. Other additions
- 28 What is the name of the policy used to pay IHT when a spouse dies?
- A. Joint-life second life policy
  - B. Joint second policy
  - C. Joint death policy
  - D. Joint-life second death policy

- 29 What is Carpet bagging in the financial Mutual Organisation sense?
- A. Moving from a Proprietary to a Mutual
  - B. Getting a high interest account
  - C. Moving from a Mutual to a Proprietary
  - D. Putting money in building societies to get shares
- 30 What is the tax for the supply of Health and Educational services?
- A. 0%
  - B. 10%
  - C. 12%
  - D. 15%
- 31 If I have paid into a term assurance policy and now I want to cancel it can I receive my money back?
- A. Yes
  - B. 50%
  - C. No
  - D. 10%
- 32 Why would a Unit trust manager buy into 30 to 150 different shares rather than just one?
- A. More tax efficient
  - B. To cover the risk
  - C. Intermediation
  - D. Disintermediation
- 33 Which is NOT a evaluation of a share potential?
- A. Dividend cover
  - B. PE Ratio
  - C. Future Funds
  - D. Earnings Per Share
- 34 What is another name for All risks insurance?
- A. Home
  - B. Maximum
  - C. Total
  - D. Extended contents
- 35 At what age does child benefit stop?
- A. 16 to 18 if in full time education
  - B. 21
  - C. 25
  - D. 31

- 36 A with Profits Endowment has two types of bonus what are they called?
- A. Final Bonus and Progressive Bonus
  - B. Long and Short Bonus
  - C. Short term and Terminal Bonus
  - D. Reversionary Bonus and a Terminal Bonus
- 37 If I were over my CGT level would it be good for me to invest in gilts?
- A. Yes
  - B. No
  - C. Up to '£2500
  - D. Up to £3500
- 38 Family Income benefits are usually to replace the income of the breadwinner on \_\_\_\_\_?
- A. Illness
  - B. Death
  - C. Short term illness
  - D. Unemployment
- 39 Investment funds can be categorised into 4 main ways?
- A. Industry, Type of investment, forms of specialisation and Location
  - B. Industry, Market type, forms of specialisation and Location
  - C. Industry, Type of investment, forms of specialisation and Size
  - D. Industry, Type of investment, forms of specialisation and status
- 40 What does my employer pay as benefit for illness?
- A. Sick Benefit
  - B. Sick Leave Support
  - C. Statutory Sick Pay
  - D. Illness Credits
- 41 Is a P/E ratio of 4 good?
- A. Very good
  - B. Average
  - C. No
  - D. P/E ratio is measured by percentages
- 42 For CGT on shareholdings in a company on the stock market at what percentage rate voting rights must the holdings be lower than for an individual who is not an employee?
- A. 20%
  - B. 15%
  - C. 10%
  - D. 5%

- 43 What percentage of the share capital of a company must be in the hands of the public to be on the Main shares market in the UK?
- A. 10%
  - B. 15%
  - C. 25%
  - D. 35%
- 44 How many years after money or assets are given as a gift could the receiver be liable for tax?
- A. 4 years
  - B. 5 years
  - C. 6 years
  - D. 7 years
- 45 What are the two types of Money market deposit account?
- A. Profile account and notice account
  - B. Fixed account and notice account
  - C. Fixed account and budget account
  - D. Fixed account and loan account
- 46 If person's liabilities exceed his/her assets they are seen to be\_\_\_\_\_?
- A. Sub prime
  - B. Indebted
  - C. Bankrupt
  - D. Insolvent
- 47 An ISA is a good repayment vehicle for a mortgage because\_\_\_\_\_?
- A. Its easy to open
  - B. Its tax free
  - C. Its tied to a mortgage
  - D. Its easy to move money from year to year
- 48 The price Trust Units are sold at are calculated on a\_\_\_\_\_ Basis?
- A. Daily
  - B. Weekly
  - C. Monthly
  - D. Yearly
- 49 What if my PMI benefit from my company takes it over \_\_\_\_\_ for my benefits I will have to pay tax?
- A. £7000
  - B. £4500
  - C. £8500
  - D. £9000

50 DO I have to pay CGT on PIBS?

- A. No
- B. Yes
- C. At normal tax levels
- D. 25% tax