

- 1 What is more precise way of legislation for a European Member?
  - A. Directive
  - B. Regulations are not recognised
  - C. Regulations
  - D. Higher Directives
- 2 What is the tax % on dividends on an OEIC?
  - A. 10%
  - B. 20%
  - C. 30%
  - D. 25%
- 3 Investment Bonds are a collective investment?
  - A. No
  - B. 50% of the fund is
  - C. 75% of the fund is
  - D. Yes
- 4 I play the pools and win about £1000 every year is it taxable?
  - A. £500 is taxable
  - B. £250 is taxable
  - C. Yes
  - D. No
- 5 When are Local Authority Stocks interest paid during the year?
  - A. 3 months
  - B. Half Yearly
  - C. 9 months
  - D. Yearly
- 6 What is the maximum amount of cash I can invest into an ISA?
  - A. Nothing its shares
  - B. £3000
  - C. £7000
  - D. £10,000
- 7 What is the percentage payout amount of an Investment Bond if I die?
  - A. 101%
  - B. 50%
  - C. 25%
  - D. 10%

- 8 If I have already paid tax on my building society interest when would I have to pay more tax?
- A. If I have a high rate interest account
  - B. If I take the money out early
  - C. If I was a basic rate tax earner
  - D. If I was a higher rate tax earner
- 9 What is the maximum purchase price of a Premium bond?
- A. £5000
  - B. £10,000
  - C. £15,000
  - D. £30,000
- 10 What is the percentage for dividends tax?
- A. 10%
  - B. 20%
  - C. 30%
  - D. 25%
- 11 When do Income rates become under review?
- A. 3 months
  - B. Half Yearly
  - C. 9 months
  - D. Yearly
- 12 Which out of these is not a consideration when pricing PHI cover :-
- A. Age, claims, length of present cover and medical history?
  - B. Age, state of health, length of present cover and medical history?
  - C. Age, state of health, previous cover and medical history?
  - D. State of health, length of present cover, medical history and status?
- 13 I receive a £5000 wedding gift from my mother do I pay any tax on it?
- A. No
  - B. Only up to '£2500
  - C. It is an undeclared item
  - D. Yes
- 14 Can shareholders be responsible for the debts of a company?
- A. Yes
  - B. In certain cases a small amount
  - C. No
  - D. This also means payment in way of dividends

- 15 What type of insurance is compulsory as an individual?
- A. House insurance
  - B. Car Insurance if you own a car
  - C. Life cover with an endowment
  - D. Live cover with a pension
- 16 Why was there a major review of the endowment policies in 1999?
- A. Advice and Not enough margin for the Financial Advisor
  - B. Advice, performance and shortfall for borrowers
  - C. Lack of good service for customers
  - D. The stakeholder was launched
- 17 Can I claim for my PHI if I am in the deferred period?
- A. Yes
  - B. No
  - C. Only if you write firstly to the supplier
  - D. Yes but only to 50% of the total value
- 18 Can Gilts be redeemed before the redemption date?
- A. No
  - B. In some cases Yes
  - C. Long Term GILTS only
  - D. Yes
- 19 What is the maximum percentage annual charge of a Stakeholder CTF?
- A. 1.5%
  - B. 2%
  - C. 2.5%
  - D. 3%
- 20 Can I put the Cash part of my ISA with one company and The Shares part with another?
- A. Yes
  - B. No you can not split them up
  - C. Only if you have a Maxima Account
  - D. Higher Tax earners only
- 21 Name the two types of Decreasing term assurance?
- A. Life assurance and gift inter vivos cover
  - B. Pension cover and gift inter vivos cover
  - C. Mortgage protection assurance and gift inter vivos cover
  - D. Mortgage protection assistance and gift inter vivos cover

- 22 Are saving certificates attractive to lower rate taxpayers or higher rate?
- A. It doesn't matter
  - B. Lower rate
  - C. Higher
  - D. Only the lowest rate taxpayers would benefit
- 23 What does a scrip issue do to the share price of the stock?
- A. Nothing
  - B. Give a second dividend
  - C. Increases the price
  - D. Reduces the price
- 24 For a life company that is mutual the members are with-profit policyholders?
- A. Only the directors have to be
  - B. Yes
  - C. No
  - D. None of the above
- 25 If you inherited monies from a relative abroad would you be charged CGT?
- A. Yes
  - B. No
  - C. Up to '£10,000
  - D. Up to '£15,000
- 26 Do I pay Capital gains on GILTS?
- A. No
  - B. Yes
  - C. Up to my tax limit
  - D. Up to £1000
- 27 Gilt Interest on foreign shares has NOT had the tax paid on them?
- A. The statement is true
  - B. The statement is false
  - C. 10% has been paid
  - D. 11% has been paid
- 28 Which two ways can a unit trust be taxed?
- A. Before and after the sale
  - B. Customer and relatives
  - C. Inheritance tax and Stamp Duty
  - D. Trust fund manager and Investor

- 29 Knowing your customer when gathering information does mean knowing their objectives?
- A. TRUE
  - B. FALSE
  - C. Tax is more important
  - D. None of the above
- 30 On a PIBS what is the normal tax rate?
- A. 10%
  - B. 20%
  - C. 30%
  - D. 40%
- 31 With a CAT standard mortgage should I see all the charges in cash terms before I buy?
- A. You should yes
  - B. It is difficult to calculate
  - C. It doesn't matter
  - D. All except the Insurance policy you will need to buy with the mortgage
- 32 When a business partner dies and an Automatic Accrual method is used what happens to their share?
- A. The other partners can buy the share
  - B. It goes to the spouse
  - C. The government receive the estate
  - D. Divided amongst other partners
- 33 If I was self employed which two National Insurance codes could I have?
- A. 1 and 2
  - B. 2 and 3
  - C. 2 and 4
  - D. 1 and 4
- 34 The Role of the Corporate Director in an OEIC is to \_\_\_\_\_?
- A. Evaluate losses
  - B. Manage the Investments
  - C. Hold general meetings with members
  - D. Loan shares and preference shares
- 35 All risks insurance covers items that are normally?
- A. Left at home
  - B. Involved in a fire
  - C. Taken out of the home
  - D. Stolen

- 36 What are a medium of exchange and a unit of account?
- A. Shares
  - B. Mortgages
  - C. Money
  - D. Whole of life
- 37 When recommending a financial solution for a potential customer Flexibility must be taken into consideration?
- A. Only Flexibility
  - B. Flexibility and Debts only
  - C. The statement is true
  - D. You must not account for the customer views
- 38 Do mutual organisations have members that would be customers?
- A. Yes
  - B. 50% are members
  - C. 25% are members
  - D. No
- 39 Interruption loss could be the due to a \_\_\_\_\_?
- A. Car Insurance claim less than £500
  - B. Mortgage arrears
  - C. Fire
  - D. Flexible mortgage agreement
- 40 When is the interest on gilts normally paid?
- A. 3 months
  - B. Half Yearly
  - C. 9 months
  - D. Yearly
- 41 Property is a good form of security for borrowing?
- A. Yes
  - B. In some market conditions
  - C. Not in the long term
  - D. Shares are better
- 42 What is the term in years for long dated gilts?
- A. 1 to 5 years
  - B. 5 to 10 years
  - C. 10 to 14 years
  - D. Over 15 years

- 43 What is the tax on Investment bond gains?
- A. 5%
  - B. 10%
  - C. 20%
  - D. 25%
- 44 Will my mortgage be definitely paid off at the end of my repayment mortgage?
- A. Not all of it
  - B. If you have ISA's or equivalent
  - C. It will be Yes
  - D. Only if you have a form of repayment vehicle
- 45 Which ACT is the main statute for tax?
- A. Tax ACT 1930
  - B. Taxable Income ACT 2000
  - C. The Income and Corporation Taxes ACT 1988
  - D. The Income and Business Revenue ACT 1988
- 46 Can gilts be sold to other investors?
- A. No
  - B. Gilts can't be sold only redeemed
  - C. Yes
  - D. Only on the AIM market
- 47 How would I offset the tax payable from the sale of shares?
- A. My normal Tax bracket
  - B. Inheritance Tax
  - C. Stamp Duty
  - D. My CGT allowance
- 48 Roll over relief for CGT is allowable how?
- A. If an asset is sold and then replaced
  - B. If an asset is sold
  - C. If an asset is bought
  - D. If an asset is new
- 49 If I put £3000 cash into an ISA in May 2005 withdrew £2000 when can I put the £2000 back?
- A. June 2006
  - B. June 2007
  - C. June 2008
  - D. None of the above

50 If I receive a house from a relative, and they die within One year of the gift am I liable for inheritance tax, if so how much?

- A. 20%
- B. 40%
- C. 50%
- D. 60%