

- 1 Enforcement power of the FSA is to close a Limited Companies Offices?
- A. The statement is true
  - B. The statement is false
  - C. In certain extreme cases.
  - D. This is common practice
- 2 I deal with settlements in my financial company, what function is that?
- A. Customer function
  - B. Significant Management Function
  - C. Management Function
  - D. None of the above
- 3 If I were to sell lifetime mortgages do I need to sit any other exams?
- A. Yes
  - B. No further exams are required after CeMAP
  - C. A small exam with your employer
  - D. A small exam with The FSA
- 4 If I have a record of being bankrupt how do I become an insurance intermediaries?
- A. It is impossible
  - B. File your credit history
  - C. Notify your new employer
  - D. Clear credit history with FSA
- 5 As an approved firm or approved person I must conduct my business with skill care and \_\_\_\_\_?
- A. Trust
  - B. Security
  - C. The law
  - D. Diligence
- 6 If I get wrongly sold a mortgage what is the maximum I can receive in compensation?
- A. £18,000
  - B. £28,000
  - C. £38,000
  - D. £48,000
- 7 If I am a fully independent advisor how many suppliers must I use?
- A. One or more
  - B. As many as I like
  - C. A wide spread of the market
  - D. Two are fine

- 8 Legislation of the financial services industry has often come from a \_\_\_\_\_ in consumers Awareness?
- A. Shock
  - B. Lapse
  - C. Increase
  - D. Decrease
- 9 \_\_\_\_\_ is one of the principles for firms and approved persons?
- A. Financial prudence
  - B. Good feedback
  - C. Financial Security
  - D. Long term goals
- 10 What is the length of time evidence of identification should be kept?
- A. 2 years after the relationship with the customer has ended
  - B. 3 years after the relationship with the customer has ended
  - C. 4 years after the relationship with the customer has ended
  - D. 5 years after the relationship with the customer has ended
- 11 Capital Adequacy means that the aim is to protect financial companies from \_\_\_\_\_ ?
- A. Themselves
  - B. Their customers
  - C. The economy
  - D. Bankruptcy
- 12 What is the limit of transaction in Euros for a life assurance policy when you would need to have evidence of identification?
- A. E2500 for single premiums and E1000 for annual
  - B. E2500 for single premiums and E5000 for annual
  - C. E2500 for single premiums and E10000 for annual
  - D. E1500 for single premiums and E1000 for annual
- 13 Is accepting deposits a regulated activity?
- A. Yes
  - B. No
  - C. Not until 2008
  - D. No it is a customer function
- 14 Before starting an authorised role an employee must have satisfied the firm he/she is at an adequate level to do so and they must have also \_\_\_\_\_.?
- A. Booked training for their role
  - B. Been authorised by the FSA
  - C. Passed their exams for the position
  - D. Registered as a Financial Employee

- 15 Legislation of the financial services industry has often come from \_\_\_\_\_?
- A. Technology
  - B. Financial Advisors
  - C. Mortgage Advisors
  - D. Word of mouth
- 16 Which Source book deals with financial Soundness of a company?
- A. Management Sourcebooks
  - B. Financial Soucebooks
  - C. Interim Prudential Sourcebooks
  - D. Company Sourcebooks
- 17 What is a Complexity/ unsuitability risk?
- A. Solicitor mistake
  - B. Mortgage company going bust
  - C. Mortgage Mistake
  - D. Customer getting wrong product
- 18 When I find out someone may be money laundering do I \_\_\_\_\_?
- A. Speak to the MLRO?
  - B. Speak to them and ask them
  - C. Speak to my boss and see if its OK to ask them,
  - D. Contact the Police
- 19 What time period should a firm report to the FSA regularly?
- A. 5 months
  - B. 6 months
  - C. 9 months
  - D. 12 months
- 20 Who deals with the regulation of Mortgages?
- A. Bank Of England
  - B. OPRA
  - C. The Government
  - D. FSA
- 21 Training is very important for staff to understand money laundering, what could happen to them if they are unsure?
- A. They could miss a incident
  - B. They could be prosecuted
  - C. They could be fired
  - D. None of the above

- 22 Does the Investment Services Directive cover Forward future contracts?
- A. No Only Past contracts
  - B. Only SHIP
  - C. No
  - D. Yes
- 23 A complaint regarding a pension should be addressed first with whom?
- A. OPRA
  - B. Pension schemes managers or trustees
  - C. FSA
  - D. The Financial Advisor
- 24 The FSA said that it would act in a very different way than earlier regulators because it would be \_\_\_\_\_ - Based?
- A. Task
  - B. Risk
  - C. Debt
  - D. Money
- 25 If I only advise on investments is it possible not to be authorised by the FSA?
- A. Yes
  - B. If I advise on small investments
  - C. If I advise on ISA's
  - D. No
- 26 Would a criminal record would it be taken into consideration to pass the Fit and Proper test?
- A. Yes It would be possible to pass
  - B. It would not be possible to pass
  - C. Depending on the crime
  - D. Only if it was a financial crime
- 27 \_\_\_\_\_ is a specialist source book?
- A. Money Laundering
  - B. The supervision of Lloyd's of London
  - C. Training
  - D. Interim Prudential
- 28 FOS can make awards up to what value?
- A. £1000
  - B. £5000
  - C. £500,000
  - D. £100,000

- 29 Which type of organisation is the most complex when working out its solvency margin?
- A. Life Insurance
  - B. Banks
  - C. Building Societies
  - D. Friendly Societies
- 30 What is the other name for the third Life directive?
- A. Life Framework Directive
  - B. Insurance Directive
  - C. Formax Directive
  - D. Twin Life Directive
- 31 Property' in relation to the definitions of Money Laundering covers\_\_\_\_\_?
- A. Just offices
  - B. Just homes ( Where you live)
  - C. Just buildings
  - D. Many things
- 32 How could an Insurance company reduce their prospective liabilities if they were technically insolvent?
- A. Sell shares
  - B. Reduce staff
  - C. Reduce annual bonuses and with profits policies
  - D. Sell Bond
- 33 What is the name of the multi-national committee that supervises banks?
- A. FSA
  - B. Banking Code
  - C. Basel committee
  - D. Bankassurance committee
- 34 Preventing crime can be divided into two areas\_\_\_\_\_?
- A. Market Abuse and Money laundering?????
  - B. Market manipulation and Data Protection
  - C. Systems and processes
  - D. Personal and Corporate
- 35 \_\_\_\_\_ is a Systems and Control procedure for managers?
- A. Compliance
  - B. Disciplinary proceedings
  - C. Criminal records
  - D. Complaints

- 36 Mortgages are NOT affected by the ?
- A. FSA
  - B. Consumer credit Act
  - C. European Law
  - D. MPC
- 37 A Banks own funds must be at least \_\_\_\_\_ percent of there risk-weighted assets?
- A. 8%
  - B. 9%
  - C. 10%
  - D. 11%
- 38 If the FSA believed that a authorised person was money laundering would they undertake a general investigation or specific investigation or both
- A. Neither
  - B. Just a general
  - C. Specific only
  - D. Maybe a general first then a Specific
- 39 What is the level for a small business that the FSA rules apply to regarding complaints?
- A. Companies over £1,000,000 turnover
  - B. 25 Staff
  - C. 100 Staff
  - D. Trading 1 year
- 40 Are suitability letters required for Life policies?
- A. Never
  - B. In a few cases
  - C. Not in all cases
  - D. Yes
- 41 Is the FSA a \_\_\_\_\_?
- A. Limited Liability Partnership
  - B. Partnership
  - C. Limited Company
  - D. Government Organisation
- 42 Is my loan for house improvements covered by the consumer credit act?
- A. Yes
  - B. No
  - C. Up to £25,000
  - D. No the mortgage regulations

- 43 What is Bad faith risk?
- A. Fraud claim
  - B. Consumer not understanding the product
  - C. The product does not produce the desired outcome
  - D. The firm collapses
- 44 The FSA must promote \_\_\_\_\_ understanding?
- A. Fair
  - B. Total
  - C. Industry
  - D. Public
- 45 Which Act covers disabled employment?
- A. Financial Act 1989
  - B. Markets Act 2001
  - C. The Disability Discrimination Act 1995
  - D. Employment Act 1999
- 46 When recommending a Life Policy the payment to the financial advisor receives must be\_\_\_\_\_?
- A. Free of tax
  - B. In the levels as set out by the FSA
  - C. Never Disclosed to the client
  - D. Disclosed to the client
- 47 If both mortgage and insurance products are sent you can send a \_\_\_\_\_ Document?
- A. Initial Disclosure Document
  - B. New
  - C. Combined Initial Disclosure Document
  - D. Tax
- 48 The FSA regulatory regime is based on a set of how many principles?
- A. Advisors
  - B. Client
  - C. FSA
  - D. Banks or Building Societies
- 49 The FSA regulatory regime is based on a set of how many principles?
- A. 9
  - B. 10
  - C. 11
  - D. 12

50 What document must be giving outlining the 'Cost of Our Services'?

- A. Company Overview
- B. Combined Initial Disclosure Document
- C. IDD
- D. Key facts