

**100%** Money Back  
**Guarantee**

**Vendor:**American Bankers Association

**Exam Code:**CTFA

**Exam Name:**Certified Trust and Financial Advisor  
(CTFA)

**Version:**Demo

**QUESTION 1**

Which of the following bonds give the issuer the right to repay the debt prior to maturity?

- A. Municipal bonds
- B. Callable bonds
- C. Convertible bonds
- D. Zero coupon bonds

Correct Answer: B

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**QUESTION 2**

You can earn a \_\_\_\_\_ when you continuously use your credit card for purchasing stuff.

- A. Credit
- B. Interest
- C. Reward
- D. Punishment

Correct Answer: C

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**QUESTION 3**

Which of the following ratios measure a company's capital structure?

- A. Price to sales ratio
- B. Price to book value ratio
- C. Leverage ratio
- D. Debt coverage ratio

Correct Answer: C

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**QUESTION 4**

What are the earnings per share (EPS) for a company that earned \$100,000 last year in after-tax profits, has 200,000 common shares outstanding and \$1.2 million in retained earnings at the year end?

- A. \$100,000

- B. \$6.00
- C. \$0.50
- D. \$6.50

Correct Answer: C

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#### QUESTION 5

BackInSoon, Inc., has estimated that a proposed project's 10-year annual net cash benefit, received each year end, will be \$2,500 with an additional terminal benefit of \$5,000 at the end of the tenth year. Assuming that these cash inflows satisfy exactly BackInSoon's required rate of return of 8 percent, calculate the initial cash outlay. (Hint: With a desired IRR of 8%, use the IRR formula:  $ICO = \text{discounted cash flows}$ .)

- A. \$16,775
- B. \$19,090
- C. \$25,000
- D. \$30,000

Correct Answer: B

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#### QUESTION 6

A comprehensive deposit account, offered primarily by brokerage houses and mutual funds is a/an:

- A. Money market deposit account
- B. Negotiable order of withdrawal account
- C. Money market mutual funds
- D. Asset management account

Correct Answer: D

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#### QUESTION 7

Long term trends in Dow Theory is depicted through:

- A. Holes
- B. Strings
- C. Waves
- D. Tides

Correct Answer: D

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#### **QUESTION 8**

Which of the following is not true about technical analysis?

- A. It requires some subjective decision making
- B. Its success would mean markets are not efficient
- C. Technical analysis is older than fundamental analysis
- D. None of these

Correct Answer: B

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#### **QUESTION 9**

Which of the following is an average signifying the point in time when the present value of security is repaid?

- A. Yield to maturity
- B. Duration
- C. Convexity
- D. Immunization

Correct Answer: B

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#### **QUESTION 10**

Which are the types of misstatements relevant to the auditor's consideration of fraud in a financial statement audit?

- A. Misstatements arising from fraudulent financial reporting
- B. Misstatements arising from misappropriations of assets
- C. Both A and B
- D. Neither A nor B

Correct Answer: C

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#### **QUESTION 11**

Which of the following is the current market in which all buying and selling is done on cash or margin basis?

- A. Target market

- B. Historic market
- C. Regular market
- D. Borough market

Correct Answer: C

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**QUESTION 12**

The risk-free security has a beta equal to, while the market portfolio's beta is equal to:

- A. One more than one
- B. One less than one
- C. Zero; one
- D. less than zero; more than zero

Correct Answer: C