

Question #1 of 20

Question ID: 1459133

Which of the following statements about legal and ethical standards is *most accurate*?

- A)** Ethical and legal standards often intersect, but not always.
 - B)** Ethical standards are a subset of legal standards.
 - C)** Legal standards are a subset of ethical standards.
-

Question #2 of 20

Question ID: 1459126

Unethical behavior by financial professionals:

- A)** increases risk and the cost of capital.
 - B)** does not affect allocation of capital.
 - C)** increases incomes for the profession.
-

Question #3 of 20

Question ID: 1459120

A code of ethics:

- A)** may be rules-based or principles-based.
 - B)** provides the public with assurance of a minimum level of ethical behavior.
 - C)** should not be used for marketing purposes.
-

Question #4 of 20

Question ID: 1459129

A requirement that investment professionals act in the best interests of their clients is a:

- A)** fair dealing standard.
- B)** fiduciary standard.

C) suitability standard.

Question #5 of 20

Question ID: 1459132

Which of the following statements about legal and ethical standards is *most accurate*?

- A) Illegal acts are always unethical.
 - B) Some illegal acts are considered ethical.
 - C) Unethical acts are always illegal.
-

Question #6 of 20

Question ID: 1459131

Challenges to ethical behavior are *most likely* to arise from:

- A) inadequate training.
 - B) internal motivations.
 - C) situational influences.
-

Question #7 of 20

Question ID: 1459135

An ethical decision-making framework:

- A) considers alternative actions and unintended consequences.
 - B) focuses on the near term impact on all stakeholders.
 - C) primarily addresses compliance with regulatory issues.
-

Question #8 of 20

Question ID: 1459122

Standards of conduct are *most accurately* described as:

- A) a necessary part of any ethical code.

- B) giving members of a group a minimum level of acceptable behavior.
 - C) providing the public with the values and general expectations for a group of professionals.
-

Question #9 of 20

Question ID: 1459134

CFA Institute Standards of Professional Conduct are *most accurately* described as being based on:

- A) a code of ethics.
 - B) accepted legal standards.
 - C) the best interests of members and candidates.
-

Question #10 of 20

Question ID: 1459119

Ethics *least likely* refers to:

- A) moral principles to guide behavior.
 - B) the study of good and bad behavior.
 - C) a person's beliefs about right and wrong behavior.
-

Question #11 of 20

Question ID: 1459128

Unethical behavior by individuals in the investment industry is *most likely* to:

- A) decrease financing costs for businesses.
 - B) increase the overall profits of financial services firms.
 - C) decrease the rate of economic growth.
-

Question #12 of 20

Question ID: 1459121

Which of the following statements about a code of ethics is *most accurate*? A code of ethics:

- A)** does not need to include standards of conduct.
 - B)** must include principles-based standards of conduct.
 - C)** must include rules-based standards of conduct.
-

Question #13 of 20

Question ID: 1459124

A profession is *most accurately* described as an occupational group that requires its members to:

- A)** abide by a code of ethical conduct.
 - B)** have specialized expert knowledge.
 - C)** put client interests first.
-

Question #14 of 20

Question ID: 1459127

Unethical behavior by a financial professional harms:

- A)** only clients and other employees.
 - B)** clients, other employees, and society.
 - C)** only clients.
-

Question #15 of 20

Question ID: 1459123

Which of the following characteristics distinguishes a profession from an occupation?
Members of a profession:

- A)** view their work as a calling.
 - B)** are better compensated for their services.
 - C)** abide by a code of ethics.
-

Question #16 of 20

Question ID: 1459125

Establishing standards of ethical behavior and monitoring professional conduct are *best* described as ways that professions:

- A) avoid regulatory scrutiny.
 - B) establish trust.
 - C) increase the market value of their services.
-

Question #17 of 20

Question ID: 1459136

A framework for ethical decision making is *most appropriately* applied to:

- A) reduce the need to maintain a large compliance department.
 - B) aid decision makers in considering alternatives and their potential impacts.
 - C) determine whether actions are legal.
-

Question #18 of 20

Question ID: 1459130

A requirement that investment professionals recommend securities that match their clients' requirements and constraints is a:

- A) portfolio standard.
 - B) suitability standard.
 - C) fiduciary standard.
-

Question #19 of 20

Question ID: 1459137

Which of the following *best* describes elements of a framework for ethical decision making?

- A) Identify relevant facts; consider influences and alternatives; decide and act; reflect on outcomes.
- B) Relevance; faithful representation; transparency; comprehensiveness; consistency.

- C)** State the objective; gather, process, and interpret the data; report the conclusions; update the analysis.
-

Question #20 of 20

Question ID: 1459118

Ethics are *most accurately* defined as:

- A)** a belief about proper conduct.
- B)** a written code of standards.
- C)** the study of moral principles.