

Question #1 of 27

Question ID: 1458811

An additional risk of direct investment in real estate, which is not typically a significant risk in a portfolio of traditional investments, is:

- A) liquidity risk.
 - B) market risk.
 - C) counterparty risk.
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Question #2 of 27

Question ID: 1462954

If a commodity futures market is in backwardation:

- A) the commodity has a high convenience yield.
 - B) a long futures position will have a negative roll yield.
 - C) the futures price of the commodity is higher than the spot price.
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Question #3 of 27

Question ID: 1463682

Supplying capital to companies that are just moving into operation, but do not as yet have a product or service available to sell, is a description that *best* relates to which of the following stages of venture capital investing?

- A) Angel investing stage.
 - B) Mezzanine stage.
 - C) Early stage.
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Question #4 of 27

Question ID: 1458816

A portfolio manager who adds commodities to a portfolio of traditional investments is *most likely* seeking to:

- A)** increase expected returns only.
 - B)** decrease portfolio variance only.
 - C)** both increase expected returns and decrease portfolio variance.
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Question #5 of 27

Question ID: 1463681

With respect to venture capital, the term "mezzanine-stage financing" is used to describe the financing:

- A)** to initiate commercial manufacturing.
 - B)** that supports product development and market research.
 - C)** to prepare for an initial public offering.
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Question #6 of 27

Question ID: 1458817

Which of the following *best* describes a benefit from investing in commodities?

Commodities:

- A)** benefit from markets oscillating between contango and backwardation.
 - B)** can serve as a hedge against inflation.
 - C)** have a strong positive correlation with stock and bond prices.
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Question #7 of 27

Question ID: 1458818

If a commodity's convenience yield is close to zero, the futures market for that commodity is *most likely*:

- A)** in contango.
- B)** in backwardation.
- C)** at fair value.

Question #8 of 27

Question ID: 1458827

A hedge fund that employs a fundamental growth strategy using equity securities is *most likely* to seek out shares of companies that are:

- A)** undervalued only.
 - B)** growing revenues and earnings rapidly.
 - C)** either undervalued or overvalued.
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Question #9 of 27

Question ID: 1458820

Funds that invest in specific commodity sectors such as oil and gas or precious metals are *best* described as:

- A)** sector funds.
 - B)** specialized funds.
 - C)** managed futures funds.
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Question #10 of 27

Question ID: 1463683

The stage at which venture capital financing is used to fund market research and product development is *best* characterized as the:

- A)** seed stage.
 - B)** early stage.
 - C)** angel investing stage.
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Question #11 of 27

Question ID: 1458819

Investors choosing to hold commodities *most likely* are hedging against:

- A) business risk.
 - B) inflation risk.
 - C) market risk.
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Question #12 of 27

Question ID: 1458822

An example of a relative value hedge fund strategy is:

- A) merger arbitrage.
 - B) market neutral.
 - C) convertible arbitrage.
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Question #13 of 27

Question ID: 1458823

The typical trade used by a merger arbitrage fund is:

- A) short position in acquirer, long position in firm being acquired.
 - B) long position in acquirer, short position in firm being acquired.
 - C) short positions in both the acquirer and the firm being acquired.
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Question #14 of 27

Question ID: 1458812

For a given set of underlying real estate properties, the type of real estate index that is *most likely* to have the lowest standard deviation is a(n):

- A) repeat sales index.
 - B) appraisal index.
 - C) REIT trading price index.
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Question #15 of 27

Question ID: 1458828

The notice period for a hedge fund is *best* described as the period following:

- A)** an investment in the fund, during which the investor is not permitted to redeem shares.
 - B)** the opening of the fund to investors, before the fund is closed to new investors.
 - C)** a request for redemption of shares, within which the fund must fulfill the request.
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Question #16 of 27

Question ID: 1458826

A hedge fund strategy that takes positions in shares of firms undergoing restructuring or acquisition is said to be pursuing:

- A)** a macro strategy.
 - B)** an event driven strategy.
 - C)** an equity hedge strategy.
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Question #17 of 27

Question ID: 1458821

A portfolio manager who adds hedge funds to a portfolio of traditional securities is *most likely* seeking to:

- A)** decrease portfolio variance only.
 - B)** increase expected returns only.
 - C)** both increase expected returns and decrease portfolio variance.
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Question #18 of 27

Question ID: 1458814

Social infrastructure assets *most likely* include:

- A)** broadcasting towers.
- B)** waste treatment plants.
- C)** health care facilities.

Question #19 of 27

Question ID: 1463684

Kettering Incorporated is a successful manufacturer of technology hardware. Kettering is seeking capital to finance additional growth that will position the company for an initial public offering. This stage of financing is *most accurately* described as:

- A)** mezzanine-stage financing.
 - B)** angel investing.
 - C)** early-stage financing.
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Question #20 of 27

Question ID: 1463678

The formative stage of venture capital investing when capital is furnished for market research and product development is *best* characterized as the:

- A)** angel investing stage.
 - B)** seed stage.
 - C)** early stage.
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Question #21 of 27

Question ID: 1458824

The period of time within which a hedge fund must fulfill a redemption request is the:

- A)** lockup period.
 - B)** notice period.
 - C)** withdrawal period.
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Question #22 of 27

Question ID: 1463680

A private equity firm that provides equity capital to a publicly traded company to finance the company's restructuring, but does not take the company private, is *best* described as engaging in:

- A)** angel investing.
 - B)** private investment in public equity.
 - C)** mezzanine-stage financing.
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Question #23 of 27

Question ID: 1463679

To exit an investment in a portfolio company through a trade sale, a private equity firm sells:

- A)** the portfolio company to one of the portfolio company's competitors.
 - B)** the portfolio company to another private equity firm.
 - C)** shares of a portfolio company to the public.
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Question #24 of 27

Question ID: 1458825

An equity hedge fund strategy that focuses primarily on exploiting overvalued securities is *best* described as a(n):

- A)** fundamental value strategy.
 - B)** event driven strategy.
 - C)** short bias strategy.
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Question #25 of 27

Question ID: 1458813

Historical data on returns of real estate are *most likely* to exhibit:

- A)** smoothing.
- B)** downward-biased measures of risk-adjusted returns.
- C)** overstated correlations with other asset classes.

Question #26 of 27

Question ID: 1458829

A hedge fund that charges an incentive fee on all profits, but only if the fund's rate of return exceeds a stated benchmark, is said to have a:

- A)** high water mark.
 - B)** soft hurdle rate.
 - C)** hard hurdle rate.
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Question #27 of 27

Question ID: 1458815

Investments in infrastructure assets that will be constructed in the future are *most accurately* described as:

- A)** brownfield infrastructure investments.
- B)** greenfield infrastructure investments.
- C)** openfield infrastructure investments.