Question #1 of 17

The point where technicians expect a substantial increase in buying to occur is called a:

A) resistance level.

B) support level.

C) consolidation level.

Question #2 of 17

A technical analysis chart that illustrates only the closing prices of a security on each trading day is *best* described as a:

A) line chart.

B) bar chart.

C) candlestick chart.

Question #3 of 17

Constructing a candlestick chart requires data on:

A) opening, high, low, and closing prices, and trading volume.

B) opening, high, low, and closing prices only.

C) high, low, and closing prices only.

Question #4 of 17

A technical analyst believes stock prices are primarily driven by:

A) unobservable shifts in market sentiment.

B) rational behavior among market participants.

C) market supply and demand forces.

Question #5 of 17

Which of the following would a technical analyst *most likely* interpret as a "buy" signal?

A) 20-day moving average crosses below a 100-day moving average.

B) 10-day moving average crosses above a 60-day moving average.

C) 30-day moving average crosses above a 5-day moving average.

Question #6 of 17

An inverse head and shoulders pattern *most likely* indicates:

A) the continuation of a downtrend.

B) the reversal of a downtrend.

C) the reversal of an uptrend.

Question #7 of 17

Bollinger bands are drawn based on the:

A) difference between two smoothed moving averages.

B) high and low prices in a recent period.

C) standard deviation of recent price changes.

Question #8 of 17

A head and shoulders pattern is *most likely* to precede a reversal in trend if:

A) volume decreases between the left shoulder and the head, then increases between the head and the right shoulder.

B) the left shoulder, the head, and the right shoulder occur on increasing volume.

C) the left shoulder, the head, and the right shoulder occur on decreasing volume.

Question #9 of 17

Technical analysts believe a trend is *most likely* to reverse if the price chart displays a:

A) descending triangle pattern.

B) rectangle pattern.

C) head and shoulders pattern.

Question #10 of 17

Which of the following technical analysis observations *most likely* represents a change in polarity?

A) Bars on a candlestick chart change from empty to filled.

B) A shorter-term moving average crosses a longer-term moving average.

C) A resistance level on a line chart is breached and later acts as a support level.

Question #11 of 17

The trend line for a stock in an uptrend is constructed by drawing a straight line through the:

A) highs.

B) lows.

C) periodic averages.

Question #12 of 17

Technical analysts believe a trend is *most likely* to continue if the price chart displays a(n):

A) inverse head and shoulders pattern.

B) ascending triangle pattern.

C) double top.

Question #13 of 17

A technical analyst observes an inverse head-and-shoulders pattern on a daily price chart for a stock. The technical analyst is *most likely* to expect:

A) a continuation of a downtrend.

B) a new downtrend to emerge.

C) a new uptrend to emerge.

Question #14 of 17

Which of the following is a principle on which technical analysis is based?

A) Market prices usually do not reflect all known information.

B) Trends and countertrends in market prices tend to disappear quickly.

C) Patterns and cycles in market prices repeat in predictable ways.

Question #15 of 17

A market analyst starts an evaluation by analyzing the prospects for economic growth in a country, then reviews the country's market sectors to find investment opportunities, and then uses relative strength charts to identify the best-performing securities. The analyst is using:

A) a bottom-up approach.

B) a centered approach.

C) a top-down approach.

Question #16 of 17

One of the assumptions of technical analysis is:

A) all analysts have all current information.

B) supply and demand are driven by rational and irrational behavior.

C) the market is efficient.

Question #17 of 17

The *most* appropriate tool to use for intermarket analysis of two different asset classes is a:

A) relative strength chart.

B) moving average convergence/divergence chart.

C) stochastic oscillator.