

2007 Level 1 Sample Exam Volume 3

SS1-Ethics and Professional Standards

Q4. According to the Global Investment Performance Standards (GIPS), verification procedures do NOT include:

- A. disclosures.
- B. calculation methodology.
- C. sample account selection.
- D. nondiscretionary accounts.

SS13/14-Equity Investments

Q45. Toward the peak of the business cycle, which of the following industries is most likely to outperform the others?

- A. consumer staples.
- B. financial services.
- C. consumer durable goods.
- D. basic materials industries.

SS15/16-Fixed Income Investments

Q52. At yield levels that are high relative to the bond's coupon rate, is the price of an option-free bond higher than price of an otherwise identical:

	<u>Callable bond?</u>	<u>Puttable bond?</u>
A.	NO	NO
B.	NO	YES
C.	YES	NO
D.	YES	YES