TSAA-SF Practice Exam

This practice exam consists of 60 questions, which is equal to one-half the number of questions asked of you on the actual exam. You may simulate the real test environment by limiting your time to 1.5 hours when answering the questions below. Solutions are shown on the final page.

Question 1
The two pricing methods available in Point & Figure charts are the High-Low Method and the Close Only Method.

    a) True
    b) False

Question 2
Which of the following is a measuring technique commonly used in Point & Figure charts to calculate a potential price objective?

    a) Fibonacci retracement levels
    b) Measured Move
    c) MACD Histogram
    d) Horizontal count method

Question 3
In an EquiVolume chart, the volume dictates the _____ of the EquiVolume box.

    a) High
    b) Low
    c) Length
    d) Width

Question 4
Which of the following patterns is usually considered a short-term continuation pattern?

    a) Triangle
    b) Flag
    c) Double Bottom
    d) Rectangle

Question 5
In Gap analysis, the least useful type of gap is known as a _____ gap?

    a) Breakaway
    b) Common
    c) Runaway
    d) Exhaustion

Question 6
If a previous support level on a price chart has been broken, that support level now becomes a potential resistance level.

    a) True
    b) False

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Question 7
All of the following are bullish chart patterns EXCEPT:

a) Head & Shoulders Bottom
b) Ascending Triangle
c) Double Bottom
d) Rising Wedge

Question 8
Volume is normally more important with bullish reversal patterns than with bearish reversal patterns.

a) True
b) False

Question 9
Which of the following would be MOST important to a fundamental analyst in making an investment decision?

a) Relative strength
b) Sentiment
c) Retracement levels
d) Return on Assets

Question 10
When is a double top pattern considered to be completed?

a) When the second peak is identified
b) When the middle trough completes
c) When prices move below the middle trough
d) When the first peak is identified

Question 11
During the first step in an analysis using a "top-down" market approach, the analyst should look at:

a) The major market averages
b) Sectors and industry groups
c) Individual stocks
d) None of the above

Question 12
Which of the following oscillators utilizes only one oscillator line?

a) Relative Strength Index (RSI)
b) Moving Average Convergence Divergence (MACD)
c) Stochastic
d) Percentage Price Oscillator (PPO)

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Question 13
Prices are driven by two of humanity's strongest emotions: Fear and Greed. This phenomenon is known as Market _____.

   a) Efficiency
   b) Analysis
   c) Psychology
   d) Economy

Question 14
Which of the following would be an example of an intraday chart?

   a) Daily Bar chart
   b) Weekly Candlestick chart
   c) 5-minute EquiVolume chart
   d) All of the above

Question 15
Which type of chart would be the best choice for long-term trend analysis?

   a) Arithmetic
   b) Logarithmic
   c) Intraday
   d) Tick

Question 16
One of the biggest differences between candlestick charts and traditional bar charts is that:

   a) Candlestick charts use more data than bar charts
   b) Candlestick charts and bar charts provide different support and resistance levels for analysis
   c) Traditional chart pattern analysis cannot be used with candlestick charts
   d) Candlestick charts are considered more visually appealing and easier to interpret

Question 17
In candlestick charting, a doji is formed when the _____ and _____ are virtually equal.

   a) High and Low
   b) Open and Close
   c) Open and Low
   d) Close and Low

Question 18
Candlestick patterns can be used to confirm support and resistance levels.

   a) True
   b) False

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Question 19
Moving averages should never be used with candlestick charts.

  a) True
  b) False

Question 20
The two most popular types of moving averages are the _____ and _____ moving average.

  a) Simple, Exponential
  b) Simple, Directional
  c) Exponential, Directional
  d) Simple, Logarithmic

Question 21
A BULLISH moving average crossover is also known as a(n):

  a) Angel cross
  b) Golden cross
  c) Lucky cross
  d) Christopher Cross

Question 22
Which type of indicator fluctuates above and below a centerline or between set levels as its value changes over time?

  a) Moving Average
  b) Cumulative Indicator
  c) Oscillator
  d) Bollinger Bands

Question 23
If a support or resistance level is _____, it signals that the relationship between supply and demand has changed.

  a) Reinforced
  b) Undetectable
  c) Broken
  d) All of the above

Question 24
A _____ pattern indicates a pause in trend (consolidation) and suggests that the previous direction will resume after a period of time.
  a) Continuation
  b) Reversal
  c) Candlestick
  d) Megaphone

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Question 25
The expansion of volume at the breakout of a rising wedge formation is more essential than the expansion of volume at the breakout of a falling wedge formation to provide confirmation.

a) True
b) False

Question 26
Which of the following Technical Analysis tools can be used as confirmation for candlestick patterns?

a) Moving Averages
b) Trend Lines
c) Oscillators
d) All of the above

Question 27
The main difference between a Morning Doji Star and a Bullish Abandoned Baby is that:

a) A Bullish Abandoned Baby does not contain a Doji in the pattern
b) A Morning Doji Star is a bearish reversal pattern
c) The Bullish Abandoned Baby has a Doji Star that gaps away (including shadows) from the two surrounding candles.
d) The two patterns are identical

Question 28
Which of the following is NOT a candlestick pattern?

a) Harami
b) Bullish Engulfing
c) Bullish Catapult
d) Hanging Man

Question 29
All of the following candlestick patterns are bullish EXCEPT:

a) Shooting Star
b) Inverted Hammer
c) Morning Star
d) Hammer

Question 30
Volume is not important when analyzing candlestick patterns.

a) True
b) False

Question 31
CandleVolume charts can be used to validate candlestick reversal patterns.

a) True
b) False

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Question 32
Which of the following authors did NOT write a book specifically on candlestick charting?

    a) J. Welles Wilder Jr.
    b) Gregory L. Morris
    c) Steve Nison
    d) Michael C. Thomsett

Question 33
Which of the following is NOT one of the rules for the High-Low method in calculating a Point & Figure chart when the current column is an X-Column?

    a) Use the high when another X can be drawn and then ignore the low
    b) Use the low when another X can be drawn and then ignore the high
    c) Use the low when another X cannot be drawn and the low triggers a reversal
    d) Ignore both when the high does not warrant another X and the low does not trigger a reversal

Question 34
According to Jeremy du Plessis, author of "The Definitive Guide to Point and Figure", vertical counts can be made from any vertical column that forges an important high/low or marks the first move from a significant peak/trough.

    a) True
    b) False

Question 35
When calculating moving averages for Point & Figure charts, shorter periods are often used when compared to moving averages on bar charts, due to the "double smoothing" effect.

    a) True
    b) False

Question 36
Catapult patterns in Point & Figure charts are always continuation patterns.

    a) True
    b) False

Question 37
How do you increase the sensitivity of the Parabolic SAR?

    a) Increase the Acceleration Factor
    b) Decrease the Acceleration Factor
    c) Add a Moving Average
    d) Increase the Average True Range

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Question 38
Which of the following is the correct calculation for the Standard Pivot Point?

    a) P = (High + Open + Close) / 3
    b) P = (High + Open + Close) X 3
    c) P = (High + Low + Close) / 3
    d) P = (High + Low + Close) X 3

Question 39
One of the key functions of the ZigZag feature is which of the following?

    a) Calculate price targets
    b) Overbought/Oversold indicator
    c) Relative Strength indicator
    d) Filter out smaller price movements

Question 40
Moving Average Envelopes differ from Bollinger Bands® in which of the following ways?

    a) Bollinger Bands® automatically adjust for volatility
    b) Moving Average Envelopes automatically adjust for volatility
    c) Moving Average Envelopes use the standard deviation to set bandwidth
    d) Bollinger Bands® use percentages to create parallel bands that follow price action

Question 41
The Moving Average Convergence-Divergence (MACD) indicator was developed by which well known Technical Analyst?

    a) Gerald Appel
    b) J. Welles Wilder Jr.
    c) Joe Granville
    d) Richard Wyckoff

Question 42
The MACD Histogram is positive when which of the following occurs?

    a) The MACD Line is above the zero line
    b) The Signal Line is above the zero line
    c) The MACD Line is above the Signal Line
    d) The Signal Line is above the MACD Line

Question 43
Which of the following is true concerning the Rate-of-Change (ROC) indicator?

    a) ROC has both an upper and lower boundary
    b) ROC has an upper boundary and no lower boundary
    c) ROC has a lower boundary and no upper boundary
    d) ROC has no upper or lower boundary

Question 44
Which of the following is true concerning the Commodity Channel Index (CCI) indicator?

a) CCI has both an upper and lower boundary
b) CCI has an upper boundary and no lower boundary
c) CCI has a lower boundary and no upper boundary
d) CCI has no upper or lower boundary

Question 45
Chaikin Money Flow (CMF) is an oscillator that fluctuates between which of the following?

a) Zero and 100
b) Zero and 1
c) -1 and +1
d) 1 and 10

Question 46
The Ichimoku Cloud is a versatile indicator that does which of the following?

a) Defines Support and Resistance
b) Identifies Trend Direction
c) Gauges Momentum
d) All of the above

Question 47
Bollinger Bands® automatically _____ when volatility increases and _____ when volatility decreases.

a) Rise, Fall
b) Reverse, Reverse
c) Widen, Narrow
d) Narrow, Widen

Question 48
Standard Deviation is a statistical term that measures which of the following?

a) The amount of variability around an average
b) The volatility of a data set
c) The actual value compared to the average value
d) All of the above

Question 49
The Advance-Decline Line (AD Line) is a breadth indicator based on Net Advances. The calculation of Net Advances is which of the following?

a) The number of advancing stocks divided by the number of declining stocks
b) The number of advancing stocks added to the number of declining stocks divided by 100
c) The number of advancing stocks less the number of declining stocks
d) The number of advancing stocks multiplied by the number of declining stocks divided by 100

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Question 50
A bullish divergence in the Price Relative / Relative Strength line during a broad market decline indicates the security is holding up better than the overall market. This is important because...

    a) the Price Relative / Relative Strength line always rises when the security's price is rising
    b) the Price Relative / Relative Strength line is an internal measure of a security's momentum
    c) stocks that hold up the best during a decline are often the leaders when the market turns around
    d) individual securities and the broad market are uncorrelated

Question 51
In order to determine the long-term direction of the Price Relative / Relative Strength line, a Chartist could apply a _____.

    a) 20-day moving average
    b) 150-day moving average
    c) 50-day moving average
    d) 5-day moving average

Question 52
In Stage 1 of the idealized Business Cycle, when economic weakness favors loose monetary policy and interest rates decline, it is bullish for _____.

    a) stocks
    b) stocks and bonds
    c) bonds
    d) commodities and stocks

Question 53
The top of the stock market cycle is marked by relative strength in which sector?

    a) technology
    b) energy
    c) cyclicals, or consumer discretionary
    d) industrials

Question 54
The major factor influencing the value of an option is the performance of its _____.

    a) peer option contracts
    b) underlying market
    c) sector group
    d) currency

Question 55
The CBOE Total Put/Call Ratio produces a rather choppy series. Applying a short-term moving average can help in what way?

    a) reduces volatility
    b) shows trend directions
    c) reduces spike thresholds
    d) all of the above

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Question 56
A contrary indicator that is based on the volatility of the S&P 500 is called the _____.

    a) Commitment of Traders
    b) CBOE Volatility (VIX) Index
    c) McClellan Oscillator
    d) CBOE Options Index Put/Call Ratio

Question 57
As a general rule, expanding volume (marked by larger vertical bars at the bottom of the chart) should be present in the direction of the prevailing trend.

    a) True
    b) False

Question 58
The amplitude of a cycle is which of the following?

    a) Height of the cycle from X-axis to peak or trough
    b) Distance between cycle highs or cycle lows
    c) Position of cycle at a particular point in time
    d) Where the cycle line crosses the X-axis

Question 59
This principle states that sometimes a cycle high occurs when there should be a cycle low and vise versa?

    a) Translation
    b) Variation
    c) Summation
    d) Inversion

Question 60
Cycles can be found by removing trend and random noise from the price data. Random noise can be removed by smoothing the data with which of the following?

    a) Pivot Points
    b) ZigZag
    c) Moving Average
    d) Stochastics Oscillator

Answer Key

1. A	31. A
2. D	32. A
3. D	33. B
4. B	34. A
5. B	35. A
6. A	36. B
7. D	37. A
8. A	38. C
9. D	39. D
10. C	40. A
11. A	41. A
12. A	42. C
13. C	43. C
14. C	44. D
15. B	45. C
16. D	46. D
17. B	47. C
18. A	48. D
19. B	49. C
20. A	50. C
21. B	51. B
22. C	52. C
23. C	53. B
24. A	54. B
25. B	55. D
26. D	56. B
27. C	57. A
28. C	58. A
29. A	59. D
30. B	60. C