

Section 6

Using Candlesticks

Section Review Questions

Question 1

A hollow candlestick indicates buying pressure and is formed when the _____ is greater than the _____.

- a) High, low
- b) Close, open
- c) Open, close
- d) Low, high

Question 2

Which of the following is true of an engulfing pattern?

- a) It is a continuation pattern
- b) Both candlesticks are required to be the same color
- c) It is always a *bullish* pattern
- d) It is the opposite of a harami pattern

Question 3

On the following chart what common candlestick pattern IS NOT one of the candlestick patterns highlighted by a shaded elliptical area?



- a) Hanging Man
- b) Bearish Engulfing
- c) Hammer

- d) Shooting Star

Question 4

When would a doji pattern be most significant?

- a) In the middle of a consolidation period
- b) When there are numerous other doji on the chart
- c) In an uptrend near a previous resistance level
- d) A doji pattern is always significant

Question 5

All of the following are important guidelines relating to candlestick reversal patterns **EXCEPT**:

- a) Most candlestick patterns require confirmation
- b) Candlestick patterns cannot be used in conjunction with trend line analysis
- c) Bearish reversal patterns should form within an uptrend
- d) Other Technical Analysis tools should be used as well

Question 6

Which of the following is NOT a variation of the candlestick chart?

- a) Heikin-Ashi
- b) Kagi
- c) CandleVolume
- d) Arms CandleVolume

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Section Review Answers

1) b

2) d

3) a

4) c

5) b

6) b