1. Which one of the following types of instruments issued by the Monetary Authority of Singapore has the force of the law that financial institutions or other specified persons such as financial advisers’ representatives have to adhere to?

   A. Codes.  
   B. Guidelines.  
   C. Policy Statements.  
   D. Subsidiary Legislation.

2. How many tenets are there in a monograph on the “Tenets of Effective Regulation” issued by the Monetary Authority of Singapore to communicate its approach to develop effective regulation?

   A. 3  
   B. 6  
   C. 9  
   D. 12

3. The Financial Advisers Regulations (FAR) came into effect as a subsidiary legislation to give effect to the provisions of the Financial Advisers Act. The FAR is prescribed by the ____________.

   A. Singapore Exchange Limited  
   B. Monetary Authority of Singapore  
   C. Association of Banks in Singapore  
   D. Association of Financial Advisers (Singapore)

4. “The sale of functionally similar products, such as Single Premium Investment-linked Policies and trusts, would be subject to similar rules and standards.”

   The above statement is in accordance with the principle of ______ under the Financial Advisers Act.

   A. Consistency  
   B. Independence  
   C. Accountability  
   D. Customers’ Interest
5. Which one of the following natural persons is considered to be an “accredited investor” under the Financial Advisers Regulations?

His income in the preceding 12 months is not less than _______________ or its equivalent in value in a foreign currency.

A. S$100,000  
B. S$150,000  
C. S$200,000  
D. S$300,000

6. Which one of the following corporate persons is an exempt financial adviser?

A. A company licensed under the Insurance Act.  
B. An approved trustee under the Securities and Futures Act.  
C. A law corporation registered under the Legal Profession Act.  
D. An accounting corporation registered under the Accountants Act.

7. Which one of the following is NOT an “excluded financial adviser” under the Financial Advisers Act?

A. The Public Trustee in exercising its powers under the Public Trustee Act.  
B. The Official Assignee in exercising its powers under the Bankruptcy Act.  
C. The accountant in exercising its powers in relation to a company under the Accountants Act.  
D. The person in exercising its power in relation to a company as its chief executive officer under the Companies Act.

8. Which one of the following is NOT a type of financial advisory service regulated by the Financial Advisers Act?

Advising others:

A. concerning deposit-taking products  
B. concerning any collective investment schemes  
C. by arranging of any contract of insurance in respect of life policies  
D. on capital market products within the meaning of the Securities & Futures Act
9. Which one of the following is an “investment product” under the Financial Advisers Act?

A. A fixed deposit.
B. A mortgage loan.
C. A life insurance policy.
D. A general insurance policy.

10. One of the factors in assessing an application for a financial adviser’s licence is “fitness and propriety”. Which one of the following groups of people is NOT required to satisfy the fit and proper criteria?

A. The applicant.
B. All its employees and stakeholders.
C. All its directors and chief executive officer.
D. Substantial shareholders and representatives.

11. Which one of the following is CORRECT concerning the renewal of all existing financial advisers’ licences?

All existing financial advisers’ licences:

A. will no longer have to be renewed
B. are required to be renewed annually
C. are required to be renewed after three years from date of registration
D. are required to be renewed after five years from date of registration

12. The Monetary Authority of Singapore may refuse an application for the grant of a financial adviser’s licence. Which one of the following is a ground for refusal?

The applicant:

A. is a corporation
B. is a natural person
C. has met the minimum financial requirements
D. has in force a professional indemnity insurance policy
13. The Financial Advisers Act provides for a category of persons to be exempted from holding a financial adviser’s licence. Which of the following falls under the category of “exempt persons”?

A. Exempt fund managers who serve up to 30 qualified investors.
B. Exempt fund managers who serve up to 30 accredited investors.
C. Exempt financial advisers who serve up to 30 accredited investors on any occasion.
D. All of the above are exempt persons.

14. Which one of the following persons is NOT allowed to use the term “financial adviser” indicating that it carries on business as a financial adviser in the name, description or title under which it carries on business in Singapore?

A. Exempt financial adviser.
B. Licensed financial adviser.
C. Excluded financial adviser.
D. Persons approved by the Monetary Authority of Singapore.

15. The Monetary Authority of Singapore (MAS) launched the Representative Notification Framework (RNF). Which one of the following statements in respect of the RNF is FALSE?

A. A notice of intent to appoint a representative will have to be lodged with the MAS.
B. A “fit and proper” certification is to be provided to the MAS in respect of the representative.
C. Onus is on the principals to accept only fit and proper individuals to be their representatives.
D. The RNF is only applicable only to a financial adviser which is exempted from having to apply for a licence.


A. 2
B. 3
C. 4
D. 5
17. John’s status as an appointed financial adviser’s representative has been revoked by the Monetary Authority of Singapore. John may appeal this decision within ________ days to the Minister, whose decision shall be final.
   A. 7
   B. 15
   C. 21
   D. 30

18. Which of the following product information about a designated investment product shall a licensed financial adviser disclose to a prospective client?
   A. Risks arising from the product.
   B. Benefits deriving from the product.
   C. The relationship existing between the financial adviser and product provider.
   D. All of the above information requiring disclosure to the prospective client.

19. A financial adviser representative receives money from his client in the marketing of a Collective Investment Scheme. Which one of the following statements concerning the handover of the client’s money under the Collective Investment Scheme is FALSE?
   The financial adviser should hand over the money:
   A. by the next business day after receiving the money
   B. upon receipt of the money on the same business day
   C. which he has received on a specified day as instructed by the client in writing
   D. after the client has acknowledged receipt of the units in the collective investment scheme

20. Which of the following scenarios would result in the licensed financial adviser (FA) being liable to the customer concerning recommendations made by the FA under the Financial Advisers Act?
   A. The customer acted on the recommendation of the FA.
   B. The customer refrained from acting based on the recommendation of the FA.
   C. The FA did not have a reasonable basis to make a recommendation to the customer.
   D. All of the above would make the FA liable to the customer in respect of any loss or damage.
21. Under the Financial Advisers Act, every licensed financial adviser which receives any insurance moneys shall establish and maintain a separate account with a __________ for its life insurance broking premiums.
   A. bank
   B. trust company
   C. finance company
   D. reinsurance company

22. The Financial Advisers Regulations provide that no licensed financial adviser shall grant any unsecured advance, unsecured loan or unsecured credit facility to an officer or an employee (including a director) or any of its representatives, which in the aggregate and outstanding at any one time, exceeds __________.
   A. S$3,000
   B. S$5,000
   C. S$7,000
   D. S$9,000

23. The Financial Advisers Act provides that the Monetary Authority of Singapore has the power of authority to issue written directions, such as ______________ which will have legal effect.
   A. notices
   B. guidelines
   C. practice notes
   D. policy statements

24. The objective(s) of prohibition orders under the Financial Advisers Act (FAA) is/are to keep unfit persons from:
   A. participating in management positions of the financial adviser
   B. engaging in any or all of the financial advisory services regulated under the FAA
   C. acting as a director or substantial shareholder of a licensed or exempt financial adviser
   D. doing all of the above
25. The MAS Notice No: FAA-N16 (the Notice) sets out the standards to be maintained by the financial advisers and their representatives concerning recommendations made on investment products.

The Notice is applicable for any recommendations made on simple life policies sold as ancillary products to _______________ for the insurance cover.

A. car loans
B. personal loans
C. credit card balances
D. mortgage reducing term assurance loans

26. A financial adviser that is involved in making recommendations on investment products to clients shall comply with the requirements as set out in MAS Notice No: FAA-N16 (the Notice).

Which of the following will fall under the requirements as set out in the Notice?

A. Know your client’s investment objectives and financial situation.
B. Understand your client’s concerns by conducting a needs analysis.
C. Documentation and record keeping of the recommendations made.
D. All of the above.

27. A client, who is assessed as not possessing the knowledge or experience in the unlisted Specified Investment Product (SIP), nevertheless chooses to transact in the SIP. Which one of the following statements is FALSE?

To inform the client in writing:

A. the outcome of the Customer Knowledge Assessment
B. that it is his responsibility to ensure the suitability of the SIP
C. to confirm his intent to transact the SIP despite the outcome of the Customer Knowledge Assessment
D. that he is disqualified from transacting in the SIP, unless he passes the Customer Knowledge Assessment
28. In making a recommendation on a life policy, a financial adviser does NOT need to provide his client with a copy of the:

A. Product Summary
B. Benefit Illustration
C. Product Highlights Sheet
D. Customer Knowledge Assessment

29. A financial adviser which makes a recommendation to a client to switch from one designated investment product to another designated investment product shall comply with the requirements as set out in MAS Notice No: FAA-N16.

Which one of the following statements regarding switching is FALSE?

A. Ensure that the client genuinely benefits from the switch.
B. Ensure that the client makes an informed decision on the switch.
C. Inform the client in writing to seek independent financial advice should he wish to make the switch.
D. Inform the client in writing of any fees or charges that he would bear if he were to make the switch.

30. Which one of the following is NOT a principle of general disclosure requirements when making statements to a prospective client under the Financial Advisers Act?

Statements are to:

A. be made in plain language and in a simple manner
B. be made in accordance with industry best practices
C. contain adequate information for the client to make an informed decision
D. contain jargon and technical terms for the client to ensure clarity of information
31. Under the Financial Advisers Act, concerning general information about a Financial Adviser (FA), a FA does **NOT** need to disclose, in writing, to the clients the:

A. FA’s business name, business address and telephone number
B. details of the product providers that the financial adviser recommends to his client
C. details of all appointed and provisional representatives registered in the Public Register of Representatives
D. types of financial advisory services that it is authorised to provide by the Monetary Authority of Singapore

32. A financial adviser is required to disclose, in writing, remuneration that it has received under the Financial Advisers Act. Which of the following need **NOT** be disclosed?

A. Soft commissions from product providers.
B. Trailer commissions from product providers.
C. Details of all fees payable to be charged to the client.
D. Details of all fees charged for non-financial advisory activities.

33. In making a recommendation for a life insurance policy, a financial adviser shall **NOT** disclose to the client:

A. about the Benefit Illustration in respect of the life insurance policy
B. the risk factors that may result in the benefits payable to be less than the illustrated values
C. the terms and conditions for exercising the free look provision under the life insurance policy
D. that the representative is responsible for the completeness of the information given to the life insurer
34. Which one of the following statements concerning the description of a dual currency investment (the product) may be misleading to investors?

This includes labeling the product as:

A. a deposit
B. a structured deposit
C. principal guaranteed in terms of the base currency
D. all of the above

35. Which one of the following statements is TRUE concerning the disclosure of past performance of a Collective Investment Scheme (CIS) by a Financial Adviser (FA) to the client?

The FA is allowed to:

A. indicate only total returns on a CIS that covers a period of three years
B. present returns on the CIS only if it covers a period of at least one year
C. share that past performance is an accurate indicator of future performance
D. disclose information on past performance in relation to a CIS based on the simulated results of a hypothetical CIS

36. Which one of the following is an “Excluded Investment Product” under the Financial Advisers Act?

A. Structured notes as defined under the Securities & Futures Act.
B. Investment-linked policies as defined under the Insurance Act.
C. Asset-based debentures as defined under the Securities & Futures Act.
D. Any derivative issued by a corporation in respect of its own stocks or shares.

37. A client has three consecutive years of working experience in the past ten years. Which one of the following will NOT be considered as relevant working experience for assessing whether the client possesses the knowledge or experience in an unlisted Specified Investment Product?

A. Accountancy.
B. Actuarial Science.
C. Treasury Management.
D. Marketing Management.
38. John is an introducer under the Financial Advisers Act. Which one of the following actions by John falls under the definition of “introducing activity” in MAS Notice No: FAA-N02?

A. He works full time for the introducee.
B. He performs a needs analysis for a client.
C. He conducts the Customer Knowledge Assessment for a client.
D. He provides factual information on investment products to a client.

39. MAS Notice No: FAA-N10 provides for “prohibited representations” by exempt persons under the Financial Advisers Act. This includes an exempt person representing himself as being:

A. licensed by the Monetary Authority of Singapore
B. registered by the Monetary Authority of Singapore
C. supervised by the Monetary Authority of Singapore
D. all of the above

40. Jack wishes to be appointed as a provisional representative of a financial adviser in Singapore? Which one of the following entry requirements is CORRECT?

A. Be at least 18 years old.
B. Holds at least three GCE ‘O’ level passes.
C. Passes all the relevant CMFAS examinations within three months.
D. Possesses at least two years of working experience in the financial services industry.

41. Which one of the following modules in the CMFAS Examinations will NOT apply to an individual who wishes to advise on and/or arrange life policies, including Investment-linked policies?

A. 5
B. 6
C. 9
D. 9A

42. Which one of the following modules in the CMFAS Examinations will apply to an individual advising on and/or marketing Collective Investment Schemes?

A. 6
B. 7
C. 8
D. 9
43. The _____________ administers Modules 6, 6A and 7 of the Capital Markets and Financial Advisory Services Examinations.

A. Institute of Banking & Finance  
B. Singapore College of Insurance  
C. Monetary Authority of Singapore  
D. Association of Financial Advisers (Singapore)

44. Which type of misconduct committed by a Financial Adviser’s Representative (FAR) need NOT be reported to the Monetary Authority of Singapore?

A. Failure to meet continuing education requirements.  
B. Failure to satisfy the “Guidelines On Fit And Proper Criteria”.  
C. Failure to disclose all material information relating to any designated investment product recommended by the FAR.  
D. Failure to give due consideration to a client’s investment objectives, financial situation or particular needs relating to any designated investment product recommended by the FAR.

45. Under MAS Notice No: FAA-N14 (on Reporting of Misconduct of Representatives by Financial Advisers), a financial adviser is required to submit an annual report to the MAS, even though there is no misconduct committed by its representatives not later than _____ days after 31 December of that calendar year.

A. 7  
B. 14  
C. 21  
D. 30
46. The MAS Notice No: FAA-N15 (the Notice) on the cancellation period for unlisted debentures applies to specified persons when they sell, whether directly or indirectly, an unlisted debenture to a client.

The Notice shall apply to:

A. exempt financial advisers
B. holders of a financial adviser’s licence
C. persons who are exempted under Regulation 29 of the FAR
D. all of the above persons

47. A financial adviser is required to perform customer due diligence (CDD) measures on its customer in accordance with MAS Notice No: FAA-N06 (the Notice). Under the Notice, a financial adviser is NOT required to perform CDD measures when it:

A. establishes business relations with a customer
B. markets its products or services to a prospective customer
C. has doubts about the veracity of the information previously obtained from the customer
D. has suspicions about the customer’s business activities, even though due diligence measures are dispensed with

48. A financial adviser shall perform customer due diligence measures in accordance with MAS Notice No: FAA-N06 (the Notice), when the financial adviser establishes business relations with any customer.

“Customer” under this Notice does NOT refer to a:

A. company
B. partnership
C. body corporate
D. venture capitalist
49. A financial adviser is required to inquire whether there exists a beneficial owner in relation to a customer. Which one of the following customers requires an inquiry into its beneficial owner?

A. A public listed company in Singapore.
B. A holder of a money changer’s licence.
C. A financial institution supervised by the MAS.
D. An insurer incorporated under the Insurance Act.

50. A financial adviser is required to monitor, on an ongoing basis, its business relations with its customers. Which one of the following is NOT required of the financial adviser?

A. Review the adequacy of customer identification information and to update it accordingly.
B. Observe and scrutinise business or transactions of customers for consistency with its business and risk profile.
C. Pay attention to and inquire into the background and purpose of complex or unusual patterns of transactions of customers.
D. Conduct regular visits and face-to-face verification of business relations or transactions with customers on an ongoing basis.

51. A financial adviser may perform simplified customer due diligence (CDD) measures, as it considers adequate, to effectively identify and verify the identity of the customer. However, no financial adviser shall perform simplified CDD measures for a/an:

A. merchant bank
B. finance company
C. insurance company
D. remittance company
52. Which one of the following is **CORRECT** if a financial adviser is unable to complete customer due diligence (CDD) measures for the purpose of preventing money laundering and countering the financing of terrorism?

A. Continue the business relationship.
B. Complete the CDD measures as soon as reasonably practicable.
C. File a suspicious transaction report regardless of circumstances.
D. Consider if circumstances are suspicious, so as to warrant the filing of a suspicious transaction report.

53. Which one of the following is **NOT** a “politically exposed person” under MAS Notice No: FAA-N06 on the prevention of money laundering and countering the financing of terrorism?

A. Senior Civil Servants.
B. Senior Judicial Officers.
C. Senior Political Leaders.
D. Senior Religious Leaders.

54. Under MAS Notice No: FAA-N06 on the prevention of money laundering and countering the financing of terrorism, a financial adviser shall retain all relevant documentation for a period of at least ________ years following the termination of business relation for customer identification information.

A. three
B. five
C. seven
D. nine

55. As part of the identification of customers, a financial adviser is required to obtain each customer’s:

A. nationality
B. date of birth
C. unique identification number
D. all of the above
56. Which one of the following is a CORRECT statement in respect of the development and pricing of life insurance products and Investment-linked Policy sub-funds under Notice No: MAS 302 (the Notice)?

A. Approval from MAS is required for the launch of any short-term accident and health policies.

B. Approval from MAS is required for the launch of any term policies having a duration of five years or less.

C. Contravention of any mandatory requirements of the Notice shall be an offence and shall attract penalty under the Financial Advisers Act.

D. The Board of Directors needs to approve the policies and procedures in respect of the development and pricing of life insurance products and Investment-linked Policy sub-funds.

57. Part II of the Guidelines in Notice No: MAS 302 on product development and pricing provide that an insurer should notify the MAS in writing of any product launched that does not require the approval of the MAS within _______ working days after the official launch date of the product.

A. 3
B. 5
C. 7
D. 14

58. A failure of an insurer to comply with the Guidelines in Notice No: MAS 302 on product development and pricing may be taken into account by the MAS in considering whether to:

A. approve a new product
B. revoke the approval for a product
C. issue directions for the withdrawal of a product
D. take any one of the above actions
59. Under MAS Notice No: 307, before launching any Investment-linked Policy (ILP) sub-fund, which one of the following is NOT part of the documentation to be submitted by the insurer?

A. Fund Factsheet.
B. Product Summary.
C. Benefit Illustration.
D. Product Highlights Sheet.

60. MAS Notice No: 307 on Investment-linked Policies is issued pursuant to the _________ Act.

A. Insurance
B. Financial Advisers
C. Monetary Authority
D. Securities & Futures

61. Which one of the following is NOT a key change under the new MAS Notice No: 307 on Investment-linked Policies issued by the Monetary Authority of Singapore on 23 September 2011?

A. Allow the use of simulated past performance data to enhance investor service.
B. Allow the sending of statements and reports to policyholders by electronic means.
C. Introduce a list of permissible investments for Investment-linked Insurance Policy sub-funds.
D. Introduce weighted portfolio maturities for money market Investment-linked Insurance Policy sub-funds.

62. The insurer shall appoint an external auditor to carry out an audit on the internal control and processes of the Investment-linked Policy sub-funds. The period under review of an audit by way of the above method shall be for a period of NOT less than _____ months.

A. 6
B. 9
C. 12
D. 18
63. In accordance with MAS Notice No: 307 on the Product Highlights Sheet of an Investment-linked Policy sub-fund, the insurer shall **NOT** use:

A. appropriate explanations of technical jargon  
B. appropriate disclaimers in clear and legible language  
C. references to links to online copies of disclosure documents  
D. charts, flowcharts and tables to explain structures or payoffs

64. An appointed representative of a financial adviser is required to satisfy minimum entry requirements. Which one of the following is **NOT** correct in respect of the requirements?

A. Satisfy the age criterion of 18 years.  
B. Satisfy any other criteria as stipulated by the MAS.  
C. Examination criteria as set out in MAS Notice No: FAA-N13.  
D. Fit and proper criteria as set out in MAS Guideline No: FSG-G01.

65. John wants to be the Chief Executive Officer of a licensed financial adviser. One of the following requirements that he does **NOT** need to fulfil is:

A. having the relevant academic and professional qualifications  
B. having a minimum of seven years’ relevant working experience  
C. performing in a relevant managerial capacity for at least three years  
D. meeting the fit and proper criteria as set out in MAS Guideline No: FSG-G01

66. The **minimum** paid-up capital for a financial adviser to carry out financial advisory services for arranging of contracts of insurance in respect of life policies, other than contracts of reinsurance is:

A. S$100,000  
B. S$150,000  
C. S$300,000  
D. S$500,000
67. A factor which is **NOT** used in the assessment of honesty, integrity and reputation of a relevant person to be employed by a financial adviser is that he has been:

A. refused a fidelity bond in Singapore
B. served with divorce proceedings for infidelity in Singapore
C. issued with a prohibition order by the Monetary Authority of Singapore
D. a subject of complaint relating to activities regulated by the Monetary Authority of Singapore

68. A factor used to determine whether a corporation is financially sound under MAS Guideline No: FSG-G01 is that the corporation is having:

A. some cash-flow problems
B. problems securing new customers
C. problems in paying some of its creditors
D. a winding-up petition against it in Singapore

69. A financial adviser is expected to determine the fitness and propriety of a proposed representative by having him:

A. conduct a yearly self-assessment of competency and capability to be a fit and proper person
B. maintain adequate documentation evidencing all certification that he is a fit and proper person
C. submit a written declaration that he has passed all the relevant examinations to be a fit and proper person
D. be subjected to independent checks by its financial adviser, to ensure that he satisfies the fit and proper requirements
70. A financial adviser carrying out due diligence checks on the fitness and propriety of its representatives is **NOT** required to conduct probity checks on their:

A. identity  
B. marital status  
C. financial status  
D. past employment records

71. Which one of the following is a standard in relation to the “due care and diligence” of a financial adviser in conducting business with its customers?

A. Proper supervision of its representatives.  
B. Adequate procedures for complaints handling.  
C. Disclosure of information about the financial adviser.  
D. Due compliance with applicable laws, rules and regulations.

72. XYZ, a financial adviser, entered into a contractual agreement with a life insurance company to only distribute that insurer’s life policies. Which one of the following statements relating to the above scenario is **TRUE**?

A. XYZ is an exempt financial adviser.  
B. XYZ is an independent financial adviser.  
C. The contractual agreement is a form of direct product restriction.  
D. The contractual agreement is a form of indirect product restriction.

73. The Monetary Authority of Singapore takes a/an ____________ view in assessing an application for approval of the arrangement under paragraph 11 of the First Schedule to the Financial Advisers Act when the arrangement involves more than one foreign related corporation.

A. holistic  
B. objective  
C. subjective  
D. facilitative
74. To qualify as a “high net worth individual” under Section 100(2) of the Financial Advisers Act (Guideline No: FAA-G07), the annual income of an individual must **NOT** be less than ________________.

A. S$150,000  
B. S$200,000  
C. S$250,000  
D. S$300,000

75. The Monetary Authority of Singapore adopts a __________ approach in dealing with the conduct of business for execution-related advice under Guideline No: FAA-G08.

A. facilitative  
B. principle-based  
C. descriptive-based  
D. prescriptive-based

76. Which one of the following is **NOT** an “execution activity” as defined in Section 2(1) of the Securities & Futures Act?

A. Foreign exchange trading.  
B. Trading in futures contracts.  
C. Arranging life insurance policies.  
D. Leveraged foreign exchange trading.

77. When making recommendations on structured deposits, a financial adviser is required to convey a warning message to a customer. Which one of the following message is **CORRECT**?

A structured deposit:

A. has a fixed rate of return  
B. has an investment element  
C. is like a traditional deposit  
D. is a well-structured product
78. Which one of the following is a **front-end** procedure to facilitate the monitoring of switching of designated investment products under the Financial Advisers Act?

A. Tracking the volume of switching transactions.
B. Identifying any unusual trends in switching transactions.
C. Declaring in writing that the client has been advised of the switching transactions.
D. Implementing procedures to ensure that each switching transaction is reviewed for appropriateness.

79. Which one of the following practices promotes customer confidence in financial institutions where fair dealing is central to their corporate culture?

A. Whistle-blowers to report any misconduct.
B. Timely performance in meeting sales targets.
C. Encouraging customer to switch investment products.
D. Persons taking deposits to also cross sell investment products.

80. A client refuses to disclose information requested by his dealer, but he wants his dealer to execute a trade for him. Which one of the following actions by the dealer is **NOT** correct?

A. Proceed with the client’s request and record his decision.
B. Warn the client that he is responsible for product suitability.
C. Highlight to the client the trading risks without performing a needs analysis.
D. Decline the client’s request for execution because it contravenes the trading rules.

81. Financial institutions are expected to have competent representatives as part of the delivery of fair dealing outcomes under Guideline No: FAA-G11. Which one of the following promotes competency of representatives in giving quality advice and appropriate recommendations to customers?

The financial institution aligns the remuneration structure with:

A. product quotas
B. customer’s interest
C. differentiated fees and commissions
D. the complexity of the investment products
82. Financial institutions are expected to provide customers with clear and relevant information to enable them to make informed decisions, to deliver fair dealing outcomes to customers under the Guideline No: FAA-G11.

Information should be given ______________ the advisory and sales process.

A. before  
B. during  
C. after  
D. for all the above stages of

83. Which one of the following statements concerning a financial institution’s handling of customer complaints for the delivery of fair dealing outcomes to customers under the Guideline No: FAA-G11 is **CORRECT**?

Customer complaints are:

A. handled by the head of compliance  
B. dealt with by the Board of Directors  
C. potential indicators of areas for improvement  
D. referred to the Monetary Authority of Singapore

84. Who is responsible for charting the corporate policy and strategy to deliver fair dealing outcomes to customers?

A. General Manager.  
B. Board of Directors.  
C. Chief Executive Officer.  
D. Director for Compliance.
85. The Monetary Authority of Singapore (MAS) assesses whether financial institutions promote fair dealing practices to be fit and proper to conduct regulated activities. Which one of the following is NOT a method of assessment used by the MAS?

A. Inspections and visits to financial institutions.
B. Customer surveys and mystery shopping exercises.
C. Interviews with the Board and Senior Management.
D. Surprise audits and checks for compliance with Guideline No: FAA-G11 to deliver fair dealing outcomes to customers.

86. Which one of the following statements on the Revised Code on Collective Investment Schemes (the Code) under Section 321 of the Securities and Futures Act is FALSE?

The Code is:

A. statutory in nature
B. applicable to Investment-Linked Policies
C. to enhance safeguards for retail investors
D. issued by the Monetary Authority of Singapore

87. For bond and money market schemes, the manager should pay out the redemption proceeds to the participants within ________ business days.

A. T + 4
B. T + 5
C. T + 6
D. T + 7

88. Under the revised Code on Collective Investment Schemes, the manager is expected to notify the Monetary Authority of Singapore and existing participants of a scheme NOT later than ________ month(s) before any significant change is to take effect.

A. one
B. two
C. three
D. four
89. The global exposure of a Collective Investment Scheme to financial derivatives should **NOT** exceed _____ per cent of the scheme’s Net Asset Value at all times.

A. 10  
B. 30  
C. 50  
D. 100

90. Bonds with ________________ shall **NOT** be recognised as collateral that can be tendered to a Collective Investment Scheme.

A. Aaa rating by Moody’s  
B. embedded financial derivatives  
C. AAA rating by Standards & Poor’s  
D. a guarantee from a government agency

91. Which one of the following statements about mandatory CPF contributions covering Singapore citizens and permanent residents is **CORRECT**?

A. Employees do not need to make CPF contributions.  
B. Employees’ bonuses are exempted from CPF contributions.  
C. The self-employed persons are required to contribute only to their Medisave accounts.  
D. Employers are required to make CPF contributions to persons registered as self-employed.

92. The CPF Retirement Account:

A. can be used to buy a residential property  
B. is used to participate in the CPF LIFE scheme  
C. is formed when the CPF member reaches his retirement age  
D. combines funds from the CPF Ordinary Account and Medisave Account
93. Which one of the following insurance schemes under the CPF provides monthly payouts to the insured for a limited period in the event of severe disability?

A. ElderShield.
B. MediShield Life.
C. Home Protection Scheme.
D. Private Medical Insurance Scheme.

94. Adeline, a financial adviser representative, is describing the use of CPF funds for property ownership in Singapore to a client.

Which one of the following statements made by Adeline is CORRECT?

A. “CPF savings cannot be used to purchase multiple properties.”
B. “CPF Special Account savings can also be used to buy a residential property.”
C. “A CPF member who intends to apply for a HDB loan must exhaust all savings in his CPF Ordinary Account before the loan is granted.”
D. “A CPF member must have at least S$20,000 in his CPF Ordinary Account before he is allowed to purchase a property with his CPF funds.”

95. Under the CPF Investment Scheme, CPF members are NOT allowed to invest their CPF funds in ________________.

A. gold
B. government bonds
C. exchange traded funds
D. Whole Life Insurance policies

96. A financial adviser representative conducts needs analysis for his client to:

A. help him discover the client’s needs
B. allow him to analyse the client’s situation and needs
C. sell the products to the client based on his needs and objectives
D. achieve all of the above outcomes
97. Which one of the following is NOT a step in conducting needs analysis for a client?

A. Ask the client for referrals.
B. Review with the client periodically.
C. Develop and present recommendations.
D. Establish and define client-representative relationship.

98. Which one of the following concerns raised by a client during the needs analysis falls under protection needs?

A. Budgeting for a five-room HDB flat.
B. Accumulating sufficient funds for retirement.
C. Meeting financial obligations upon premature death.
D. Generating a minimum annual return of 7% on an investment portfolio.

99. As a rule of thumb, how many years are added to the life expectancy of parents to arrive at the number of years needed to support them?

A. 4
B. 6
C. 8
D. 10

100. During the fact-find process, finding out the client’s employment details does NOT help the financial adviser representative to:

A. identify the client’s monthly financial obligations
B. analyse whether the client needs a Medical Expense Insurance policy
C. determine whether the client should take up an income protection plan
D. assess the client’s ability to commit to a medium to long-term investment product
### Answers to Mock Paper

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