

# Global Certified Wealth Manager Level 1 (GLO CWM Level 1)

1. A budget deficit leads to a shortfall in domestic savings relative to investment because

A. savers buy government bonds instead of private bonds

B. saving falls because the interest rate falls

C. investment falls because of concern about the size of the deficit

D. saving falls because of concern about the size of the deficit

**Answer(s): A**

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2. First step in developing a Wealth Management Plan is

A. Identify goals and objectives

B. Identify and clarify the current situation

C. Implementation of solutions

D. Analyze problems and solutions

**Answer(s): B**

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3. A portfolio manager is considering buying Rs. 1,00,000 worth of Treasury bills for Rs. 96,211 versus Rs.

A. 0.27%

B. 0.21%

C. 0.35%

D. 0.45%

**Answer(s): D**

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4. Sujoy has purchased shares of Rs.12500 of common stock in Hindustan Unilever . He has recently sold investment to the tune of Rs.15000 & received Rs 2500 as cash dividends during the holding period of 4 years.

A. 9.75%

B. 10.72%

C. 8.23%

D. 9.05%

**Answer(s): C**

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5. The trust is empty at creation during life and will transfer the property into the trust at death

A. Pourover trust

B. Secret trust

C. Will trust

D. Special trust

**Answer(s): A**

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6. Which principle apply to life insurance contracts?

A. Principal of Indemnity

B. Doctrine of contribution

C. None of the above

D. Doctrine of subrogation

**Answer(s): C**

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7. What amount needs to be deposited today in an account that would pay Rs. 1,10,000 per year for the first 10 years and Rs. 2,25,000 for the next 5 years. If the ROI for the first 10 years is 10.75 % p.a. compounded annually and 13% p.a. compounded quarterly for the balance period.?

A. 912336

B. 995282

C. 935282

D. 779030

**Answer(s): C**

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8. The subscription paid into PPF account enjoys the tax benefit under

A. Sec 80C

B. Sec 80D

C. Sec 80G

D. Sec 10

**Answer(s): A**

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9. Overseas Medical Policy (OMP) covers medical expenses and repatriation expenses upto a maximum of

A. US\$- 1,00,000 & US\$- 2,00,000

B. US\$- 1,00,000 & US\$-5,00,000

C. US\$- 2,00,000 & US\$- 5,00,000

D. US\$- 1,00,000 & US\$- 3,00,000

**Answer(s): B**

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**10.** Ranbir deposits Rs. 80000 as a lump sum amount in a immediate annuity. He will receive annuity on a monthly basis for next one year. Determine the monthly amount he is entitled to receive. The rate of interest is

A. Rs 7321

B. Rs 7221

C. Rs 7122

D. Rs 7425

**Answer(s): B**

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**11.** Returns on a security held for 5 years by Praveen are:

A. 8.50%

B. 6.59%

C. 8.00%

D. 7.37%

**Answer(s): D**

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12. Interest rate charged are higher in .....

A. Prime mortgage

B. Simple mortgage

C. Sub prime mortgage

D. None of the above

**Answer(s): C**

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13. Which of the following definitions of forms of Money are correct?

A. none of the above

B. (a) and (b)

C. (a) (b) and (c)

D. (b) and (c)

**Answer(s): C**

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14. Under Motor Vehicles Insurance, liability only policy covers property damage up to Rs. \_\_\_\_\_, in case of private cars & commercial vehicles, and Rs. \_\_\_\_\_, in case of two wheelers, although Motor Vehicle Act requires a cover of only Rs. \_\_\_\_\_.

A. Rs. 7,50,000 Rs. 1,00,000 Rs. 6,000

B. Rs. 4,00,000 Rs. 3,00,000 Rs. 60,000

C. Rs. 10,00,000 Rs. 5,00,000 Rs. 6,00,000

D. Rs. 5,00,000 Rs. 2,00,000 Rs. 60,000

**Answer(s): A**

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### 15. Equity Financing

A. Requires interest payment

B. Requires collateral

C. Has to be repaid back

D. Allows to receive tax free dividends

**Answer(s): D**

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16. The June 1999 Basle Committee on Banking Supervision issued proposals for reform of its 1988 Capital Accord (the Basle II Proposals). These proposals contained mainly in:

A. II, IV and V

B. II, III and VI

C. I, IV and V

D. I, III and VI

**Answer(s): B**

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17. Which of the following statements with regard to Human Capital is/are correct?

A. Only II

B. Both I and II

C. None of the above

D. Only I

**Answer(s): D**

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18. Often burdened with loan and generally both of the spouses work to earn their living. Under which category this type of family falls?

A. Mature family

B. Young family

C. None of the above

D. Empty Nesters

**Answer(s): B**

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19. Judgement rating is used in case of

A. Fire Insurance

B. Life Insurance

C. Ocean Marine Insurance

D. Health Insurance

**Answer(s): C**

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20. In PPF the term/duration of the account is 15 years from :

A. The 12 months of deposit the first installment

B. The end of financial year in which the account is opened.

C. The date of deposit the first installment

D. The 30 days of deposit the first installment

**Answer(s): B**

