

Question #1 of 20

Question ID: 1574630

Which of the following statements about a code of ethics is *most accurate*? A code of ethics:

- A) does not need to include standards of conduct.
 - B) must include principles-based standards of conduct.
 - C) must include rules-based standards of conduct.
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Question #2 of 20

Question ID: 1574642

Which of the following statements about legal and ethical standards is *most accurate*?

- A) Ethical and legal standards often intersect, but not always.
 - B) Ethical standards are a subset of legal standards.
 - C) Legal standards are a subset of ethical standards.
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Question #3 of 20

Question ID: 1574638

A requirement that investment professionals act in the best interests of their clients is a:

- A) fair dealing standard.
 - B) suitability standard.
 - C) fiduciary standard.
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Question #4 of 20

Question ID: 1574645

A framework for ethical decision making is *most appropriately* applied to:

- A) aid decision makers in considering alternatives and their potential impacts.
- B) determine whether actions are legal.

C) reduce the need to maintain a large compliance department.

Question #5 of 20

Question ID: 1574639

A requirement that investment professionals recommend securities that match their clients' requirements and constraints is a:

- A) portfolio standard.
 - B) fiduciary standard.
 - C) suitability standard.
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Question #6 of 20

Question ID: 1574637

Unethical behavior by individuals in the investment industry is *most likely* to:

- A) decrease the rate of economic growth.
 - B) increase the overall profits of financial services firms.
 - C) decrease financing costs for businesses.
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Question #7 of 20

Question ID: 1574631

Standards of conduct are *most accurately* described as:

- A) a necessary part of any ethical code.
 - B) giving members of a group a minimum level of acceptable behavior.
 - C) providing the public with the values and general expectations for a group of professionals.
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Question #8 of 20

Question ID: 1574636

Unethical behavior by a financial professional harms:

- A)** only clients.
 - B)** only clients and other employees.
 - C)** clients, other employees, and society.
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Question #9 of 20

Question ID: 1574635

Unethical behavior by financial professionals:

- A)** does not affect allocation of capital.
 - B)** increases risk and the cost of capital.
 - C)** increases incomes for the profession.
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Question #10 of 20

Question ID: 1574627

Ethics are *most accurately* defined as:

- A)** a belief about proper conduct.
 - B)** a written code of standards.
 - C)** the study of moral principles.
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Question #11 of 20

Question ID: 1574628

Ethics *least likely* refers to:

- A)** moral principles to guide behavior.
 - B)** a person's beliefs about right and wrong behavior.
 - C)** the study of good and bad behavior.
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Question #12 of 20

Question ID: 1574643

CFA Institute Standards of Professional Conduct are *most accurately* described as being based on:

- A)** a code of ethics.
 - B)** accepted legal standards.
 - C)** the best interests of members and candidates.
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Question #13 of 20

Question ID: 1574641

Which of the following statements about legal and ethical standards is *most accurate*?

- A)** Illegal acts are always unethical.
 - B)** Some illegal acts are considered ethical.
 - C)** Unethical acts are always illegal.
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Question #14 of 20

Question ID: 1574646

Which of the following *best* describes elements of a framework for ethical decision making?

- A)** Identify relevant facts; consider influences and alternatives; decide and act; reflect on outcomes.
 - B)** Relevance; faithful representation; transparency; comprehensiveness; consistency.
 - C)** State the objective; gather, process, and interpret the data; report the conclusions; update the analysis.
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Question #15 of 20

Question ID: 1574629

A code of ethics:

- A)** provides the public with assurance of a minimum level of ethical behavior.
- B)** should not be used for marketing purposes.

C) may be rules-based or principles-based.

Question #16 of 20

Question ID: 1574634

Establishing standards of ethical behavior and monitoring professional conduct are *best* described as ways that professions:

- A) avoid regulatory scrutiny.
 - B) establish trust.
 - C) increase the market value of their services.
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Question #17 of 20

Question ID: 1574633

A profession is *most accurately* described as an occupational group that requires its members to:

- A) abide by a code of ethical conduct.
 - B) have specialized expert knowledge.
 - C) put client interests first.
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Question ID: 1574640

Challenges to ethical behavior are *most likely* to arise from:

- A) inadequate training.
 - B) internal motivations.
 - C) situational influences.
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Question #19 of 20

Question ID: 1574644

An ethical decision-making framework:

- A)** considers alternative actions and unintended consequences.
 - B)** focuses on the near term impact on all stakeholders.
 - C)** primarily addresses compliance with regulatory issues.
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Question #20 of 20

Question ID: 1574632

Which of the following characteristics distinguishes a profession from an occupation?

Members of a profession:

- A)** view their work as a calling.
- B)** are better compensated for their services.
- C)** abide by a code of ethics.