

CE 1 hour retirement savings and income planning/investment planning

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1. In the article “Retirement Income Strategies Designed in an Expected Utility Framework” authored by Warshawsky, what is longevity insurance?
 - a. SPIA
 - b. Systematic withdrawals
 - c. ALDA
 - d. VA with GMWB rider
2. According to Warshawsky, what is the best overall retirement income strategy?
 - a. SPIA
 - b. Fixed percentage systematic withdrawals
 - c. ALDA
 - d. Laddered purchases of SPIAs combined with fixed percentage systematic withdrawals
3. In Warshawsky, which life annuity product has the lowest loads?
 - a. Nominal SPIA
 - b. Real SPIA
 - c. Nominal longevity insurance
 - d. Real longevity insurance
4. In “The Financial Literacy of Generation Y and the Influence that Personality Traits have on Financial Knowledge: Evidence from Canada” by Killins, what personality trait generally leads to higher scores of financial literacy?
 - a. Conscientiousness
 - b. Neuroticism
 - c. Extroversion
 - d. Agreeableness
5. In Killins, the degree of extraversion an individual holds tend to impact their financial literacy in which of the following ways?
 - a. Higher extraversion tends to lead to higher financial literacy
 - b. Higher extraversion tends to lead to lower financial literacy
 - c. Extraversion has no significant impact
 - d. Extraversion is only significant amongst men
6. In Killins, what area of financial literacy may be under-researched when taking into account the large transition of assets that will be passed from the baby boomer generation to the generation Y cohort?
 - a. Budgeting
 - b. Investing
 - c. Estate Planning
 - d. Economics
7. According to “The Impact of the Capitalization of Operating Leases: A Guide for Individual Investors” by Trifts and Porter, beginning in 2019, US companies will be required to capitalize operating leases. The overall impact of this change on the 1000 largest non-financial companies in the US will be:
 - a. An insignificant adjustment to company balance sheets and reported income.
 - b. A significant increase in reported debt and a significant decrease in reported income.
 - c. A significant increase in reported debt with little change in reported income.
 - d. An insignificant adjustment to company balance sheets with a significant decrease in reported income.
8. In Trifts and Porter, US companies will be required to capitalize operating leases, the industries that will show the largest change in reported debt and assets will be:
 - a. Retailers because of the use of operating leases to finance stores.
 - b. Manufacturers because of the use of operating leases to finance plants.
 - c. Service providers because of the use of operating leases to finance sales facilities.
 - d. Technology companies because of the use of operating leases to finance computer hardware.
9. In Trifts and Porter, the capitalization of operating leases will have the following effect on the equity values of the 1000 largest non-financial companies:
 - a. Equity values of companies with significant operating leases will decline due to higher debt levels.
 - b. Equity values of companies with significant operating leases will decline due to lower report net income.
 - c. Equity values of companies without significant operating leases will increase due to their competitive advantage over companies with higher reported debt levels.
 - d. Equity values will remain relatively unchanged.
10. In Trifts and Porter, the impact of this change requiring US companies to capitalize operating leases on the 1000 largest non-financial companies in the US will be:
 - a. Improved transparency about reported debt with insignificant impact on equity values.
 - b. Retailers will see the biggest change in their balance sheets because of the use of operating leases to finance stores.
 - c. A significant adjustment to some company balance sheets with an insignificant decrease in reported income.
 - d. All of the above.

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