

Updating Your Study Manual

Instructions for Inserting Version 1.1, 2003

The followings serve as the instructions for updating **Sample Questions section** in Study Manual 6 for the Licensing Examination for Securities and Futures Intermediaries. Please be reminded that only the updated sections are provided for downloading. You may replace the relevant sections with this updated version for the study manual you possess.

Instructions:

1. Download and print out the following pages.
 2. **Remove** pages S-1 to S-2 and **Insert** new pages S-1 to S-2.
 3. **Remove** pages S-7 and **Insert** new pages S-7.
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Sample Examination Questions

Paper 6: Regulation of Asset Management

Question 1.

Which **ONE** of the following is NOT a stated objective of the Hong Kong Monetary Authority (HKMA)?

- A Maintaining currency stability.
- B Lending money to large commercial institutions if required.
- C Regulating the business of taking monetary deposits.
- D Promoting the efficiency, integrity and development of the Hong Kong financial system.

Question 2.

Which **ONE** of the following statements is INCORRECT?

- A Closed ended funds should lodge prospectuses with the Registrar of Companies before offering the funds to the public.
- B Closed ended funds which seek a listing must be vetted by the Stock Exchange of Hong Kong (SEHK).
- C Closed ended funds that do not seek a listing need not be checked by the Securities and Futures Commission (SFC).
- D Schemes under the Occupational Retirement Schemes Ordinance (ORSO) are voluntary schemes.

Question 3.

Which **ONE** of the following statements is TRUE?

Under the Code on Unit Trusts and Mutual Funds (CUTMF), an authorized Unit Portfolio Managed Fund (UPMF) may

- A invest in authorized collective investment schemes (CIS) or registered jurisdiction schemes (RJS).
- B invest in other UMPFs.
- C not invest in more than 3 authorised CIS.
- D invest up to 20% of its Net Asset Value in non-authorised CIS.

Question 4.

Which of the following are special codes issued by the Securities and Futures Commission (SFC) for regulating types of collective investment schemes (CIS)?

- I Code on MPF Products.
 - II Code on MPF Investment Funds.
 - III Code on Investment Linked Assurance Schemes.
 - IV Code on Pooled Retirement Funds.
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- A I, II and III only.
 - B I, III and IV only.
 - C II and IV only.
 - D I, II, III and IV.

Question 5.

Which of the following statement(s) **is/are** CORRECT?

An application must be made to the Securities and Futures Commission (SFC) for

- I licensing of corporations or individuals.
 - II **licensing of a compliance officer.**
 - III approval of premises for storing records.
 - IV approval to become a substantial shareholder.
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- A I only.
 - B I, II and III only.
 - C I, III and IV only.
 - D I, II, III and IV.

Answers to Sample Examination Questions

Paper 6: Regulation of Asset Management

Question	Correct Answer
1	B
2	C
3	A
4	B
5	C
6	D
7	A
8	C
9	A
10	B
11	D
12	D
13	D

Explanatory Note to Question 12:

A client may have a high reputation but may get into financial difficulties.
Also 100% value collateral may not be enough if market falls and/or collateral is of poor quality.