

# Quiz 2025 CSC2: Efficient Training Canadian Securities Course Exam2 Solutions

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## Canadian Securities Course (CSC) Exam 2 With complete solution 2024/25

Fundamental Analysis  
Accessing short medium and long range prospects of different industries for security prices.  
Take into account capital market, the economy, industry, and the individual company conditions to find intrinsic value.  
Is it overvalued or undervalued?  
Focus on what can effect the dollar value, ex. The expected / actual profitability

Technical Analysis  
Use historical prices and their behavior to predict the future.  
Make sure to understand the sentiment not the fundamentals. Focus on the market.  
Investors might act irrational based on those events. Is it recurring or predictable?  
- all influences accounted for automatically  
- prices will move in trends for a long time  
- believes the future will repeat the past

Program Trading/High-Frequency Trading  
Sophisticated computerized trading strategies

Random walk Theory  
New information is disseminated over time.  
Price changes are random.  
Past prices are not useful because the company has already adjusted the price for the developments.

Rational Expectations Hypothesis  
People are rational and have all the information.  
They make smart decision for self interest. Past mistakes can be avoided with new information.

Inefficiencies of market theories  
New information not available to everyone.  
Not everyone reacts the same.  
Not all forecasts are accurate.  
Investors psychology or greed could be irrational.

Efficient Market Hypothesis  
Stock price is the best estimate of true value.  
The profit seeking will react quick and adjust for intrinsic value.  
Stock price fully reflects all available information.

3 Types of Information  
1. Weak: past information with current prices  
2. Semi-strong: public information in current prices  
3. Strong: all information in current prices, no advantages

\* strong is. Passive approach, they will buy and hold

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## CSI CSC2 Exam Syllabus Topics:

Topic	Details
Topic 1	<ul style="list-style-type: none"><li>The Economy: This section of the exam measures the skills of an Economic Analyst and covers fundamental economic concepts including microeconomics and macroeconomics, economic growth measurement, business cycles, labor markets, interest rates, inflation, international trade, and both fiscal and monetary policy with emphasis on the Bank of Canada's role and government policy challenges.</li></ul>

Topic 2	<ul style="list-style-type: none"> <li>The Corporation: This section of the exam measures the skills of a Corporate Finance Analyst and covers corporate structures, financial statements, disclosure requirements, investor rights, financing methods, capital raising processes, prospectus requirements, securities distribution, and exchange listing procedures for corporations.</li> </ul>
Topic 3	<ul style="list-style-type: none"> <li>The Canadian Investment Marketplace: This section of the exam measures the skills of a Securities Industry Professional and covers the structure and operation of Canada's investment marketplace. It includes the roles of investment dealers and financial intermediaries, capital market functions, financial instruments, and the complete Canadian regulatory environment with its regulatory bodies, principles of regulation, client remediation options, and ethical standards for financial services professionals.</li> </ul>
Topic 4	<ul style="list-style-type: none"> <li>Analysis of Managed and Structured Products: This section of the exam measures the skills of an Investment Products Specialist and covers mutual funds, exchange-traded funds, alternative investments, structured products, and other managed products including their structures, regulations, features, risks, strategies, performance measurement, and tax implications within the Canadian investment landscape.</li> </ul>
Topic 5	<ul style="list-style-type: none"> <li>Additional Topics: This section of the exam measures the skills of a Wealth Management Professional and covers Canadian taxation systems, tax-advantaged accounts, fee-based account structures, retail client financial planning and estate planning, institutional client management, and ethical standards for financial advisors serving both individual and institutional clients.</li> </ul>

>> Training CSC2 Solutions <<

## CSC2 Latest Test Sample, CSC2 Updated Test Cram

Most of the experts in our company have been studying in the professional field for many years and have accumulated much experience in our CSC2 practice questions. Our company is considerably cautious in the selection of talent and always hires employees with store of specialized knowledge and skills. All the members of our experts and working staff maintain a high sense of responsibility, which is why there are so many people choose our CSC2 Exam Materials and to be our long-term partner.

## CSI Canadian Securities Course Exam2 Sample Questions (Q173-Q178):

### NEW QUESTION # 173

A client who seeks advice from an investment advisor but does not require financial planning guidance.

Which platform is most appropriate for this client?

- A. Exchanged-traded fund.
- B. Family office
- **C. Discount brokerage.**
- D. Self-directed brokerage.

**Answer: C**

Explanation:

A discount brokerage is an ideal platform for clients who seek professional advice but do not require comprehensive financial planning. Discount brokers allow clients to trade securities with minimal fees, offering tools and resources for investment decision-making without the cost of full-service advisory.

\* Why This Platform is Appropriate:

- \* Clients retain control over their portfolios but can access limited advisory services when needed.
- \* Suitable for investors who are comfortable with self-directed investing and require occasional guidance.
- \* Why Other Options Are Incorrect:
- \* A: A family office provides high-end services, including financial planning, making it excessive for this client.
- \* B: A self-directed brokerage is entirely self-managed, without access to advisory support.
- \* C: ETFs are an investment product, not a platform.

References:

- \* CSC Volume 2, Chapter 25: Overview of Fee-Based and Discount Brokerage Accounts.

#### NEW QUESTION # 174

Which fee is paid to mutual fund sales representatives by the mutual fund manager?

- A. Redemption.
- **B. Trailer.**
- C. Operating.
- D. Management.

**Answer: B**

#### NEW QUESTION # 175

What industry stocks tend to have lower betas than the market?

- A. Capital goods
- B. Transportation
- **C. Utilities**
- D. Automobiles and components

**Answer: C**

Explanation:

Beta is a measure of a stock's volatility compared to the overall market. Stocks with lower betas tend to experience smaller price fluctuations relative to the market.

\* Utilities: Utility companies generally have stable and predictable revenue streams because they provide essential services like electricity, water, and gas, which are always in demand regardless of economic cycles. As a result, utility stocks have lower betas, reflecting their lower sensitivity to market movements.

\* Why Other Options Are Incorrect:

- \* A. Transportation: Stocks in this sector are more sensitive to economic changes and fuel prices, leading to higher betas.
- \* B. Capital Goods: This sector involves investments in industrial equipment and machinery, which fluctuate with economic cycles and have higher betas.
- \* D. Automobiles and Components: This industry is cyclical and highly dependent on economic trends, leading to higher betas.

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CSC Volume 2, Chapter 13: Risk and return in specific industries.

#### NEW QUESTION # 176

What financial instrument is derived from the value of an underlying asset?

- A. Preferred share.
- B. Inflation linked bond
- **C. Forward contract**
- D. Real estate investment trust

**Answer: C**

Explanation:

A forward contract is a derivative instrument whose value is derived from the value of an underlying asset, such as commodities, currencies, or financial instruments. It is a customized agreement between two parties to buy or sell an asset at a future date at a specified price.

- \* A. Real estate investment trust: A REIT is an equity instrument tied to real estate assets, not a derivative.
- \* C. Preferred share: A preferred share is an equity security with fixed dividends, not a derivative.
- \* D. Inflation-linked bond: These are fixed-income securities linked to inflation rates but are not considered derivatives.

#### NEW QUESTION # 177

Who manages trades for institutional clients at a dealer firm?

- **A. Agency trader**

- B. Market maker
- C. Investment banker
- D. Liability trader

**Answer: A**

## NEW QUESTION # 178

These mock tests are specially built for you to assess what you have studied. These Canadian Securities Course Exam2 (CSC2) practice tests are customizable, which means you can change the time and questions according to your needs. Taking practice exams teaches you time management so you can pass the Canadian Securities Course Exam2 (CSC2) exam. PrepPDF's CSC2 practice exam makes an image of a real-based examination which is helpful for you to not feel much pressure when you are giving the final examination.

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