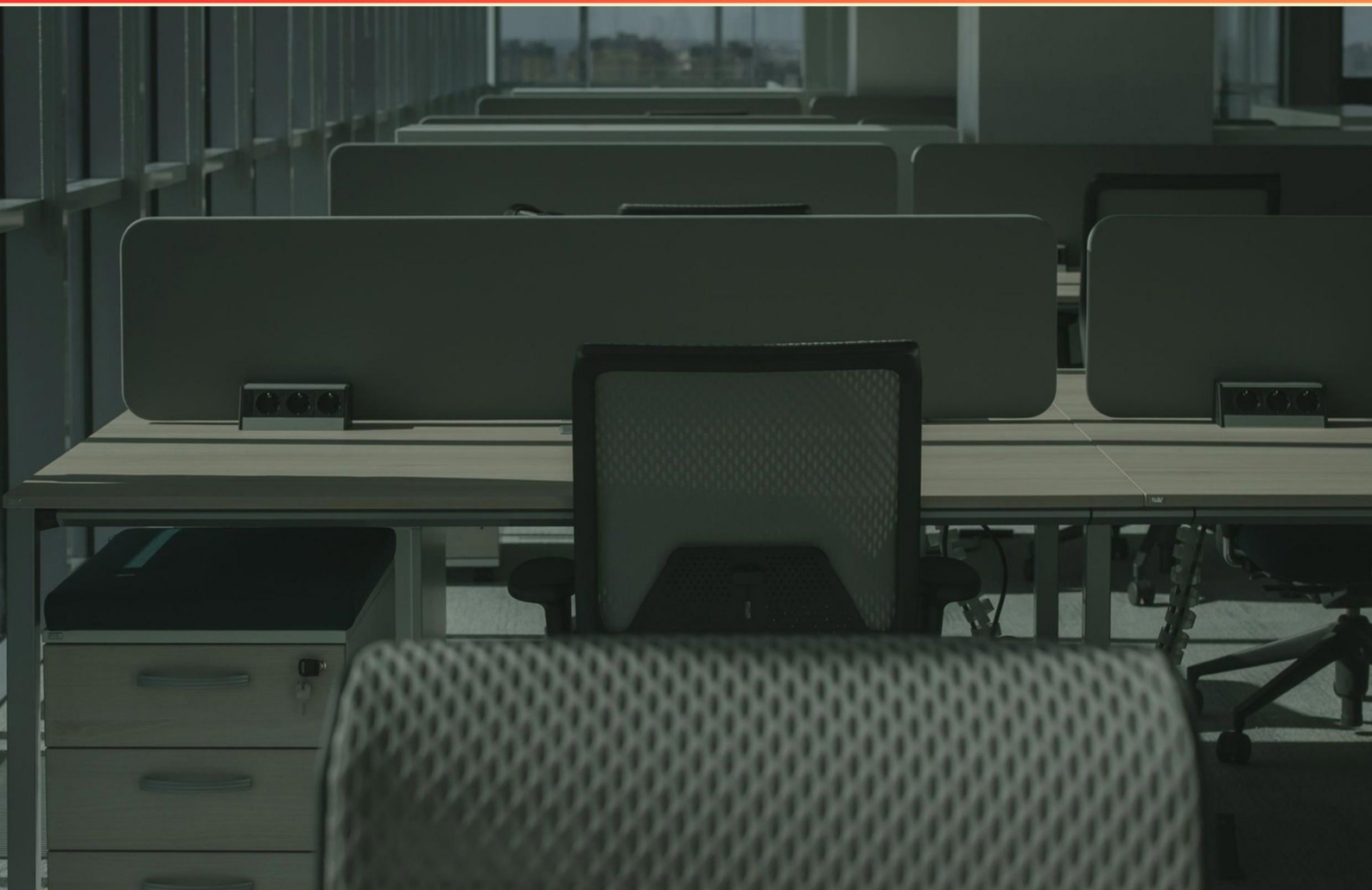


CUNA FINANCIAL COUNSELOR PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://cunafinancialcounselor.examzify.com>



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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is one of the necessary documents to manage affairs after a death?**
 - A. Living Trust
 - B. Financial Power of Attorney
 - C. Durable POA for Health Care
 - D. Insurance policy
- 2. What are financial counselors encouraged to track in their work?**
 - A. Only financial performance
 - B. Time, number of members, activities, and impacts
 - C. Marketing strategies alone
 - D. Member complaints
- 3. What role does a Power of Attorney (POA) play for an individual who is incapacitated?**
 - A. Acts as a witness for legal documents
 - B. Manages affairs on behalf of the individual
 - C. Distributes assets according to a will
 - D. Provides medical treatment recommendations
- 4. In the Johari Window model, what is the "blind" area?**
 - A. Known to self, known to others
 - B. Unknown to self, known to others
 - C. Not known to self, not known to others
 - D. Known to self, not known to others
- 5. Which of the following is a necessary element before starting to invest?**
 - A. A proper savings plan
 - B. Active credit card debt
 - C. Irregular income
 - D. High-risk investments

- 6. What is an essential action for financial counselors when supporting partners of addicts?**
- A. Suggest they invest together to overcome issues
 - B. Review the member's credit report for hidden debts
 - C. Encourage reckless spending for stress relief
 - D. Advise them to disconnect completely from their partner
- 7. Which question is NOT part of evaluating risk?**
- A. What are the risks to the asset?
 - B. Is a loss affordable?
 - C. What is the best method to handle this risk?
 - D. How can I avoid all risks entirely?
- 8. In a Cost Benefit Analysis, what is typically evaluated?**
- A. Plan implementation
 - B. Possible solution, cost and benefit of solution, and likelihood of success
 - C. Client emotions and motivations
 - D. Comparison of different plans
- 9. Which is NOT a step that needs to be taken after bankruptcy?**
- A. Create a budget
 - B. Neglect the credit reports
 - C. Monitor credit scores
 - D. Start an emergency fund
- 10. What should individuals do regarding their credit reports post-divorce?**
- A. Ignore them to reduce stress
 - B. Monitor them regularly
 - C. Make no changes for at least a year
 - D. Only check them when applying for new credit

Answers

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1. C
2. B
3. B
4. B
5. A
6. B
7. D
8. B
9. B
10. B

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Explanations

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1. What is one of the necessary documents to manage affairs after a death?

- A. Living Trust
- B. Financial Power of Attorney
- C. Durable POA for Health Care**
- D. Insurance policy

One of the necessary documents to manage affairs after a death is the Durable Power of Attorney for Health Care. This document allows an individual to appoint someone else to make healthcare decisions on their behalf in the event that they are unable to do so themselves. While it is particularly important in managing health care matters before death, it can also play a role in ensuring that the deceased's healthcare wishes are honored during the end-of-life process. This type of document is crucial as it ensures that personal preferences regarding medical treatment are respected, which can be a concern for family members after a person passes away if their wishes were not clearly communicated. In many cases, having a Durable Power of Attorney for Health Care can alleviate confusion and potential disputes among family members about medical decisions. In the context of managing affairs after a death, having this document ensures that the deceased's healthcare directives are acknowledged, contributing to a smoother transition in managing their overall estate and personal wishes.

2. What are financial counselors encouraged to track in their work?

- A. Only financial performance
- B. Time, number of members, activities, and impacts**
- C. Marketing strategies alone
- D. Member complaints

Financial counselors are encouraged to track a comprehensive set of metrics that gauge the effectiveness and impact of their services. By monitoring time, number of members served, various activities conducted, and the outcomes or impacts of these interactions, counselors can assess how well they are meeting the needs of their clients. This holistic approach enables them to identify areas for improvement, measure progress over time, and enhance the value they provide to their members. Tracking time allows counselors to manage their efficiency, ensuring they are dedicating adequate effort to each member. Monitoring the number of members helps evaluate demand for services and can inform staffing and resource allocation. Documenting activities provides insight into what strategies are being employed, while assessing impacts measures the actual outcomes of their counseling efforts in terms of members' financial health. This multifaceted tracking supports continuous improvement in counseling practices, leading to better financial outcomes for members and helping counselors demonstrate the effectiveness of their programs to stakeholders.

3. What role does a Power of Attorney (POA) play for an individual who is incapacitated?

- A. Acts as a witness for legal documents
- B. Manages affairs on behalf of the individual**
- C. Distributes assets according to a will
- D. Provides medical treatment recommendations

A Power of Attorney (POA) is a legal document that allows one person to act on behalf of another in legal or financial matters when the individual is incapacitated or unable to manage their own affairs. When someone is designated as a POA, they gain the authority to make decisions regarding the incapacitated person's financial matters, which can include paying bills, managing investments, and handling real estate transactions. This role is crucial because the individual may be unable to make decisions for themselves due to physical or mental limitations, and having a trusted person manage their affairs ensures continuity and proper management of their financial situation. In contrast, the other roles outlined in the choices do not pertain to what a POA does. While a POA may be involved in managing assets, they do not control the distribution of assets according to a will, which is typically handled by an executor after someone's death. Additionally, providing medical treatment recommendations is generally within the scope of a healthcare proxy or medical power of attorney, rather than a financial power of attorney. Lastly, acting as a witness for legal documents does not align with the authority granted by a POA; rather, it is a separate legal function. Overall, the primary function of a POA is indeed to manage financial and

4. In the Johari Window model, what is the "blind" area?

- A. Known to self, known to others
- B. Unknown to self, known to others**
- C. Not known to self, not known to others
- D. Known to self, not known to others

The "blind" area in the Johari Window model refers specifically to aspects of an individual's behavior, feelings, or skills that are observable by others but are not recognized or acknowledged by the individual themselves. This area emphasizes the importance of feedback in personal growth and development. When others point out characteristics or behaviors that we are unaware of, it can facilitate self-awareness and improve interpersonal relationships. In essence, the "blind" area is crucial for understanding how we are perceived by others, and it highlights the value of open communication and feedback. Recognizing and addressing aspects in this area can lead to greater self-awareness and personal development, as it allows individuals to confront and work on traits that may impede their effectiveness in social and professional environments.

5. Which of the following is a necessary element before starting to invest?

A. A proper savings plan

B. Active credit card debt

C. Irregular income

D. High-risk investments

Having a proper savings plan is critical before starting to invest because it establishes a financial foundation that is essential for successful investing. A savings plan allows individuals to have a clear understanding of their financial situation, ensures they have an emergency fund in place, and creates a buffer to cover unexpected expenses. When individuals prioritize saving, they can allocate specific amounts toward investments without jeopardizing their financial stability. In contrast, active credit card debt, irregular income, and high-risk investments do not serve as necessary elements for beginning an investment journey. Active credit card debt can generate high-interest expenses, which could undermine the benefits of investing. Irregular income can lead to uncertainty in cash flow, making it harder to commit to consistent investments. High-risk investments, while they may potentially offer high rewards, are not essential for a successful investing strategy; rather, a focus on building savings first provides a safety net that is crucial for wise investment decisions.

6. What is an essential action for financial counselors when supporting partners of addicts?

A. Suggest they invest together to overcome issues

B. Review the member's credit report for hidden debts

C. Encourage reckless spending for stress relief

D. Advise them to disconnect completely from their partner

In the context of supporting partners of addicts, reviewing the member's credit report for hidden debts is a vital action for financial counselors. This step is essential because individuals who are involved with addicts may not be fully aware of the financial implications of their partner's addiction. Addicts may accumulate debts, whether through direct financial irresponsibility or hidden spending related to their addiction, which can severely impact their partner's financial situation. By thoroughly examining the credit report, the financial counselor can help uncover any hidden debts that the partner may not know about, enabling them to address these issues proactively. This understanding is critical for helping the partner establish a clearer financial picture, formulate a plan to manage these debts, and regain a sense of control over their financial well-being. Additionally, this approach fosters informed decisions about managing finances amidst the complexity introduced by addiction, which can ultimately lead to healthier financial practices and improved emotional support strategies.

7. Which question is NOT part of evaluating risk?

- A. What are the risks to the asset?
- B. Is a loss affordable?
- C. What is the best method to handle this risk?
- D. How can I avoid all risks entirely?**

The question of how to avoid all risks entirely is not part of the risk evaluation process because risk management inherently recognizes that avoiding all risks is impractical and often impossible. In evaluating risk, it is crucial to identify, assess, and prioritize risks based on their potential impact and likelihood. The process involves understanding the risks to specific assets, determining whether potential losses are manageable within an individual's or organization's financial means, and exploring the most effective strategies to mitigate, transfer, or accept these risks. By acknowledging that some level of risk is unavoidable, individuals and organizations can focus on developing practical strategies for managing risks rather than striving for an unattainable goal of complete risk avoidance. This realistic approach allows for better preparation and response to potential adverse events while understanding that some risks might need to be accepted as part of normal operations or financial planning.

8. In a Cost Benefit Analysis, what is typically evaluated?

- A. Plan implementation
- B. Possible solution, cost and benefit of solution, and likelihood of success**
- C. Client emotions and motivations
- D. Comparison of different plans

In a Cost Benefit Analysis, the key evaluations focus on the possible solution, alongside the associated costs and benefits of that solution, as well as the likelihood of its success. This structured approach allows individuals or organizations to assess whether the potential benefits of implementing a certain action outweigh the costs involved. Understanding the financial implications is crucial when making decisions, as it aids in identifying whether a project or solution is worth pursuing. By evaluating these aspects, decision-makers can prioritize solutions that offer the best returns relative to their costs and mitigate risks associated with unsuccessful implementations. The analysis does not specifically center on emotions or motivations, which would be more qualitative aspects rather than quantitative ones. Similarly, while comparing different plans might be a step in some evaluations, the core of a Cost Benefit Analysis specifically lies in assessing the financial implications of a singular proposed solution, rather than directly comparing multiple plans. This focus ensures that decisions can be made based on a balanced understanding of financial viability and practical outcomes.

9. Which is NOT a step that needs to be taken after bankruptcy?

- A. Create a budget
- B. Neglect the credit reports**
- C. Monitor credit scores
- D. Start an emergency fund

Neglecting credit reports is indeed not a step that should be taken after bankruptcy. After undergoing bankruptcy, it becomes crucial to closely monitor credit reports to ensure that all debts are accurately reflected and that there are no errors. Monitoring helps to identify any fraudulent activities that may occur post-bankruptcy and allows individuals to track the recovery of their credit status over time. On the other hand, creating a budget, monitoring credit scores, and starting an emergency fund are all proactive steps that can help in rebuilding financial stability post-bankruptcy. A budget helps manage expenses and ensure that spending aligns with one's new financial reality. Keeping an eye on credit scores is essential for understanding how financial behaviors impact credit health. Lastly, establishing an emergency fund provides a safety net, helping to prevent future financial distress.

10. What should individuals do regarding their credit reports post-divorce?

- A. Ignore them to reduce stress
- B. Monitor them regularly**
- C. Make no changes for at least a year
- D. Only check them when applying for new credit

Monitoring credit reports regularly after a divorce is essential because a divorce can significantly impact an individual's financial situation and credit score. During this transition, accounts may need to be divided, and changes might occur in credit status, such as joint accounts potentially affecting both parties' credit scores. By regularly reviewing credit reports, individuals can ensure that all information is accurate, catch any errors, and identify any outstanding obligations that might need addressing. This proactive approach allows individuals to manage their finances effectively by showing how their credit is being affected and giving them the opportunity to rectify issues that may arise, such as missed payments or unauthorized charges related to shared accounts. Additionally, regular monitoring helps individuals rebuild their credit more effectively, especially if they need to establish new credit or ensure that they are on track with their financial plans post-divorce. Thus, maintaining an active awareness of one's credit report is crucial for financial health during this often tumultuous time.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://cunafinancialcounselor.examzify.com>

We wish you the very best on your exam journey. You've got this!

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