

Funeral Service Management Federal Trade Commission (FTC) Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 9

Explanations 11

Next Steps 17

SAMPLE

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

SAMPLE

- 1. What records should a funeral home maintain to demonstrate FTC compliance?**
 - A. Only the GPL.**
 - B. Only the OBP.**
 - C. Copies of GPL, CPL, OBP, and documentation of price disclosures provided (and contract records for pre-need).**
 - D. Only the price lists.**

- 2. When should price lists be updated?**
 - A. Once every two years.**
 - B. Whenever prices or offerings change; ensure consumers receive current pricing.**
 - C. Only when mandated by law.**
 - D. Never.**

- 3. What is the difference between the General Price List, the Casket Price List, and the Outer Burial Price List?**
 - A. GPL lists all services and merchandise with prices; CPL lists prices for each specific casket; OBP lists prices for outer burial containers**
 - B. GPL lists only services; CPL lists only merchandise; OBP lists only burial plots**
 - C. GPL is optional; CPL mandatory; OBP optional**
 - D. GPL lists only caskets; CPL lists all services; OBP lists cremation**

- 4. In a compliant pre-need contract, how must funds be held?**
 - A. Escrow or trust and any limitations.**
 - B. Invested in stock market**
 - C. In owner's personal account**
 - D. In a savings account at any bank without restrictions**

- 5. Which party is primarily responsible for FTC Rule compliance in prepaid funeral arrangements?**
 - A. Consumers.**
 - B. Funeral providers.**
 - C. Third-party vendors only.**
 - D. State regulatory agencies.**

- 6. Which term involves forwarding of remains, including preparation for transfer to another funeral provider and requires package pricing with a description of the components included?**
- A. Direct Cremation**
 - B. Receiving Remains**
 - C. Forwarding of Remains**
 - D. Alternative Price Lists**
- 7. What must be included when advertising a “lowest price”?**
- A. The lowest price for the primary service only.**
 - B. Only the base price without any conditions.**
 - C. No exclusions or conditions need to be stated.**
 - D. The actual price and the items included, with any conditions or exclusions clearly stated.**
- 8. Which term describes a ceremony commemorating the deceased at the place of final disposition?**
- A. Funeral Ceremony**
 - B. Memorial Service**
 - C. Graveside Service**
 - D. Direct Cremation**
- 9. Under Outer Burial Container Prices, which component is included?**
- A. Price range for outer burial containers**
 - B. Prices of individual outer burial containers**
 - C. Both price range and prices of individual outer burial containers**
 - D. None of the above**

10. The Outer Burial Container Price List (OBC PL) is used to present prices for which items?

A. General Price List.

B. Outer Burial Container Price List; list of outer burial containers normally offered for sale by funeral providers which do not require special ordering. Must include retail price and enough descriptive information to enable consumers to identify merchandise.

C. Casket Price List.

D. Statement of Funeral Goods and Services.

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What records should a funeral home maintain to demonstrate FTC compliance?

- A. Only the GPL.
- B. Only the OBP.
- C. Copies of GPL, CPL, OBP, and documentation of price disclosures provided (and contract records for pre-need).**
- D. Only the price lists.

To demonstrate FTC compliance, a funeral home must keep complete records of all price information and disclosures provided to consumers. This includes the General Price List, plus the Casket Price List if caskets are offered and the Outer Burial Container Price List if outer burial containers are offered. In addition, retain documentation showing that price disclosures were provided in writing, and keep contract records for any pre-need arrangements. This combination ensures you can prove you disclosed prices clearly and separately from services and merchandise, and that pre-need terms were properly documented.

2. When should price lists be updated?

- A. Once every two years.
- B. Whenever prices or offerings change; ensure consumers receive current pricing.**
- C. Only when mandated by law.
- D. Never.

Accurate, up-to-date pricing is essential for truthful disclosure in funeral service pricing. The best practice is to update price lists whenever prices or offerings change so that what families see reflects what they will be charged. This protects consumers during a stressful time and helps prevent any impression of deception. Waiting for a fixed schedule or only updating when laws require it can leave listings outdated and misleading. And never updating is clearly unacceptable because prices and packages naturally change over time.

3. What is the difference between the General Price List, the Casket Price List, and the Outer Burial Price List?

- A. GPL lists all services and merchandise with prices; CPL lists prices for each specific casket; OBP lists prices for outer burial containers**
- B. GPL lists only services; CPL lists only merchandise; OBP lists only burial plots**
- C. GPL is optional; CPL mandatory; OBP optional**
- D. GPL lists only caskets; CPL lists all services; OBP lists cremation**

The main idea here is how the Funeral Rule structures price information to help families compare costs. The General Price List (GPL) is the comprehensive menu of all goods and services the funeral home offers, with prices listed next to each item. The Casket Price List (CPL) is a separate list that shows the price for each specific casket the home offers, not just a general category. The Outer Burial Price List (OBP) does the same for outer burial containers, listing prices for each item. This separation ensures transparency: you can see the full range of services and goods in the GPL, and you can compare exact prices for particular caskets and outer burial containers on their respective lists. The other options don't reflect how these lists are structured—the GPL includes merchandise, not just services; outer burial containers aren't just "burial plots"; and these lists are required tools, not optional.

4. In a compliant pre-need contract, how must funds be held?

- A. Escrow or trust and any limitations.**
- B. Invested in stock market**
- C. In owner's personal account**
- D. In a savings account at any bank without restrictions**

The main concept is safeguarding consumer funds through a fiduciary hold. In a compliant pre-need contract, funds must be held in escrow or in a trust, with any applicable limitations. This arrangement keeps the money separate from the seller's general assets, ensuring it is available to fulfill the contract and reducing the risk of misappropriation or use for other purposes. The restrictions—such as how the funds may be invested and when they can be disbursed—protect the consumer and meet regulatory expectations. Investing the funds in the stock market introduces risk and may jeopardize availability when the contract is honored. Placing funds in the owner's personal account commingles funds with personal assets and provides no protection if the business faces financial difficulties. Keeping funds in an unrestricted savings account does not guarantee segregation or proper fiduciary control. Therefore, escrow or trust with appropriate limitations is the appropriate, compliant holding method.

5. Which party is primarily responsible for FTC Rule compliance in prepaid funeral arrangements?

- A. Consumers.
- B. Funeral providers.**
- C. Third-party vendors only.
- D. State regulatory agencies.

The party responsible for FTC Rule compliance in prepaid funeral arrangements is the funeral provider—the seller of funeral goods and services. The Rule is designed to protect consumers by ensuring clear, standardized disclosures and truthful representation of what is being offered. Because the provider is the one marketing and selling the arrangement and controlling the terms of the goods and services, they must deliver the required disclosures (such as price lists and a clear description of what is included in the prepaid plan) and ensure the funds are handled correctly, whether held in trust, insured, or managed by a third party. While state regulators oversee and enforce compliance, and third-party vendors may handle aspects like funds or processing, the obligation to comply rests with the funeral provider. This ensures that consumers can compare options, understand exactly what they're paying for, and know where their funds are held and how refunds or changes are handled.

6. Which term involves forwarding of remains, including preparation for transfer to another funeral provider and requires package pricing with a description of the components included?

- A. Direct Cremation
- B. Receiving Remains
- C. Forwarding of Remains**
- D. Alternative Price Lists

Forwarding of Remains is the term that covers sending the deceased to another funeral provider for services, including the preparation needed to transfer, such as embalming if requested, securing permits, and arranging transportation. When a funeral home quotes a package price for this service, the price must describe what's included in the package—the components or features of the service—so families can clearly see what they're paying for and compare options. This transparency aligns with the FTC Funeral Rule's requirement that package pricing include a description of each component. The other terms refer to different scenarios: Direct Cremation is a no-service cremation, Receiving Remains is the act of accepting remains from another provider, and Alternative Price Lists refer to different formats of price disclosures, not the act of forwarding remains itself.

7. What must be included when advertising a “lowest price”?

- A. The lowest price for the primary service only.**
- B. Only the base price without any conditions.**
- C. No exclusions or conditions need to be stated.**
- D. The actual price and the items included, with any conditions or exclusions clearly stated.**

When advertising a “lowest price,” you must present the full price with a clear description of what’s included and any conditions or exclusions. This reflects the principle that price claims must be truthful and not misleading, giving families a real, complete picture of what they’ll pay. The best answer emphasizes the actual price and the items included, plus any terms that would affect the price. In funeral service advertising, that means showing exactly what’s covered for the stated price and clearly stating any exclusions or requirements (such as add-ons, bundles, or conditions). Without this full disclosure, the claim can mislead consumers about the total cost. If the ad only shows a base price or focuses on the primary service without detailing what’s included or excluded, or if it makes no mention of limitations, it leaves out essential terms and can be deceptive. That’s why the option that includes the actual price and the items included, with any conditions or exclusions clearly stated, is the correct approach.

8. Which term describes a ceremony commemorating the deceased at the place of final disposition?

- A. Funeral Ceremony**
- B. Memorial Service**
- C. Graveside Service**
- D. Direct Cremation**

Graveside Service describes a ceremony conducted at the burial site where the remains are interred or placed. The defining feature is that it takes place at the place of final disposition, such as a cemetery or mausoleum, and commemorates the deceased in that location. It’s often concise and may include readings, prayers, a eulogy, and the committal rite as the casket or urn is lowered or sealed. This differs from a funeral ceremony, which usually happens before disposition at a funeral home, church, or similar venue. A memorial service is held after the disposition and is not tied to the burial site. Direct cremation involves no formal service at the time of disposition.

9. Under Outer Burial Container Prices, which component is included?

- A. Price range for outer burial containers
- B. Prices of individual outer burial containers
- C. Both price range and prices of individual outer burial containers**
- D. None of the above

When presenting Outer Burial Container Prices, the disclosure must be complete enough for a consumer to compare options and understand total costs. The FTC's Funeral Rule requires a price list that includes both the range of prices for outer burial containers and the prices of each individual outer burial container offered. The price range shows the spread from the least to the most expensive options, while listing each item's exact price lets customers compare specific containers side by side. The other approaches—showing only the range or only the individual prices—don't provide a full, transparent view of available options, and would not meet the rule's requirement for complete pricing information. Therefore, both components are included.

10. The Outer Burial Container Price List (OBC PL) is used to present prices for which items?

- A. General Price List.
- B. Outer Burial Container Price List; list of outer burial containers normally offered for sale by funeral providers which do not require special ordering. Must include retail price and enough descriptive information to enable consumers to identify merchandise.**
- C. Casket Price List.
- D. Statement of Funeral Goods and Services.

Price disclosures under the Funeral Rule include separate price lists for certain items, and the Outer Burial Container Price List is specifically for outer burial containers. These are the containers placed around the casket in the grave, such as burial vaults or grave liners, that funeral providers typically offer for sale without requiring a special order. The OBC Price List must show the retail price and include enough descriptive information to help a consumer identify the exact merchandise being offered. This distinguishes it from a General Price List, which covers a broader range of goods and services; a Casket Price List, which focuses on caskets; and a Statement of Funeral Goods and Services, which lists items purchased but does not provide prices.

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://funeralservicemgmtftc.examzify.com>

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

SAMPLE