

# Wise Certification 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

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

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 is the primary source of income for most people aged 20 to 35 who are not on a pension or social security?**
  - A. Salaries, wages, and tips**
  - B. Investment income**
  - C. Government assistance**
  - D. Royalties from intellectual property**
- 2. What type of health insurance does Jessie have if she must see her primary care physician first?**
  - A. Fee-for-service plan**
  - B. Managed care health plan**
  - C. High deductible health plan**
  - D. Catastrophic health plan**
- 3. What typically happens to an individual's credit score when they apply for multiple loans within a short time?**
  - A. The credit score increases**
  - B. The credit score remains unaffected**
  - C. The credit score decreases**
  - D. The credit score dramatically increases**
- 4. What does an uncollateralized loan mean?**
  - A. A personal loan without assets to cover the loan amount**
  - B. A loan secured by property**
  - C. A short-term loan**
  - D. A loan backed by a co-signer**
- 5. If a stock pays a \$2.00 dividend and you choose to reinvest it, what will you purchase?**
  - A. A bond**
  - B. More of the same stock**
  - C. A different stock**
  - D. An investment property**

**6. If Lamar believes that interest rates will fall, what type of investment should she consider?**

- A. Short-term, variable rate savings account**
- B. Long-term, fixed-rate certificate deposit**
- C. High-yield savings account**
- D. Real estate investment**

**7. What is a common characteristic of a mutual fund?**

- A. Invested solely in government securities**
- B. Managed by professional fund managers**
- C. Guaranteed returns on investment**
- D. Always includes real estate assets**

**8. When depositing cash and a check, how should the cash be recorded?**

- A. List the cash deposit separately from the check**
- B. Combine cash and check deposit in one line**
- C. List only the total deposit amount**
- D. Record only the check amount**

**9. Which of the following careers would be a possible choice for someone interested in money and finance?**

- A. Banker**
- B. Teacher**
- C. Engineer**
- D. Medical Doctor**

**10. Can Cathy withdraw money from her IRA savings account without penalties?**

- A. Yes, at any time**
- B. No, there is a 10% penalty before age 59**
- C. Yes, but she will lose interest**
- D. No, only for emergencies**

## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. What is the primary source of income for most people aged 20 to 35 who are not on a pension or social security?**

- A. Salaries, wages, and tips**
- B. Investment income**
- C. Government assistance**
- D. Royalties from intellectual property**

Most individuals aged 20 to 35 primarily depend on salaries, wages, and tips as their main source of income, especially those who are not receiving pensions or social security benefits. This age group typically represents early to mid-career professionals who are engaged in full-time or part-time employment. Their financial stability largely hinges on their earned income from jobs rather than passive sources or government support.

Investment income, while relevant to some in this age range, is generally not the dominant source since many young adults focus on building their careers and may not have significant investments yet. Government assistance varies and is not commonly relied upon by those actively participating in the workforce, while royalties from intellectual property are typically not a primary income source unless an individual has successfully created and monetized intellectual content, which is less common among the general population in this age bracket. In summary, the majority earn their living through direct work-related earnings, making salaries, wages, and tips the most prevalent income source for individuals in this demographic.

**2. What type of health insurance does Jessie have if she must see her primary care physician first?**

- A. Fee-for-service plan**
- B. Managed care health plan**
- C. High deductible health plan**
- D. Catastrophic health plan**

Jessie's requirement to see her primary care physician first indicates that she is enrolled in a managed care health plan. Managed care plans, such as Health Maintenance Organizations (HMOs), typically mandate that members choose a primary care provider who coordinates all healthcare needs. This ensures that patients receive appropriate care and helps manage healthcare costs. In this model, referrals to specialists or other healthcare services usually need to go through the primary care physician, maintaining a structured approach to healthcare delivery. This coordinated care is designed to streamline treatment and improve health outcomes, distinguishing managed care from more flexible options like fee-for-service plans, which allow patients greater freedom in choosing healthcare providers without needing referrals. The other types of health plans mentioned do not share this primary care requirement. For instance, a fee-for-service plan allows patients to see any healthcare provider without prior approval. High deductible health plans focus more on lower premiums and higher out-of-pocket costs before coverage begins, while catastrophic health plans are designed primarily for young, healthy individuals, providing coverage mainly for serious health issues without the requirement of going through a primary care physician first.

### 3. What typically happens to an individual's credit score when they apply for multiple loans within a short time?

- A. The credit score increases
- B. The credit score remains unaffected
- C. The credit score decreases**
- D. The credit score dramatically increases

When an individual applies for multiple loans within a short time frame, the credit score typically decreases due to the presence of several hard inquiries on their credit report. Each time a lender checks the applicant's credit score as part of the loan application process, a hard inquiry is recorded, which can signal to credit scoring models that the individual may be taking on more debt than they can handle. This behavior is interpreted as an increased risk factor by lenders, leading to a potential reduction in the credit score. It's worth noting that if the loan applications are for the same type of credit, such as multiple mortgage inquiries, scoring models often treat these as a single inquiry when they occur within a specific window, allowing for some exceptions. However, in general terms, multiple applications in a short period can negatively impact credit scores due to hard inquiries and the implications of excessive borrowing potential.

### 4. What does an uncollateralized loan mean?

- A. A personal loan without assets to cover the loan amount**
- B. A loan secured by property
- C. A short-term loan
- D. A loan backed by a co-signer

An uncollateralized loan refers to a type of loan that is not backed by any physical asset, meaning that there are no specific assets pledged as collateral to secure the loan amount. This means if the borrower fails to repay the loan, the lender does not have a direct claim on any specific asset to recover their losses. Such loans are primarily based on the creditworthiness of the borrower, which is assessed through their credit history and income level. In contrast, a loan secured by property involves collateral, which gives the lender some assurance of recovering their funds if the borrower defaults. Short-term loans typically refer to the duration of the loan rather than the collateral status, while loans backed by a co-signer still depend on the creditworthiness of the primary borrower and involve additional risk mitigation through the co-signer's promise to repay if the borrower fails. Hence, the definition of an uncollateralized loan aligns perfectly with it being a personal loan without assets to cover the loan amount, highlighting its reliance on borrower trustworthiness rather than on secured assets.

**5. If a stock pays a \$2.00 dividend and you choose to reinvest it, what will you purchase?**

- A. A bond**
- B. More of the same stock**
- C. A different stock**
- D. An investment property**

When a stock pays a dividend and you choose to reinvest it, the typical approach is to purchase more shares of the same stock. This process, known as a dividend reinvestment plan (DRIP), allows investors to use their dividends to buy additional shares rather than opting for cash payouts. This can be particularly beneficial in compounding investment returns over time, as it increases the number of shares owned, which leads to higher future dividends and potential growth in capital value. Reinvesting in the same stock may also reflect a continued confidence in the company's performance and long-term potential. By accumulating additional shares, investors can maximize their investment in a company they believe will appreciate and generate further dividends, effectively leveraging the growth potential of their existing holdings.

**6. If Lamar believes that interest rates will fall, what type of investment should she consider?**

- A. Short-term, variable rate savings account**
- B. Long-term, fixed-rate certificate deposit**
- C. High-yield savings account**
- D. Real estate investment**

If Lamar believes that interest rates will fall, a long-term, fixed-rate certificate deposit is a strategic choice for her investment. When interest rates decline, the value of existing fixed-rate investments tends to increase because new investments will likely offer lower returns. By locking in a fixed rate now, Lamar ensures that she benefits from the higher rate compared to what she might receive in the future. This type of investment protects her from the potential lower returns associated with shifting market rates. In contrast, short-term and variable rate accounts may not provide the same level of benefit as interest rates decrease, as these investments are more susceptible to changes in the market rates. A high-yield savings account typically offers variable rates, which may result in lower returns if interest rates fall. Real estate investments also have their considerations, but they are generally more influenced by market conditions outside of interest rate fluctuations, such as demand or location, rather than simply the interest rate environment. Therefore, a long-term, fixed-rate certificate deposit aligns best with her outlook on falling interest rates, securing a more favorable return on her investment.

## 7. What is a common characteristic of a mutual fund?

- A. Invested solely in government securities**
- B. Managed by professional fund managers**
- C. Guaranteed returns on investment**
- D. Always includes real estate assets**

A mutual fund is characterized by being managed by professional fund managers who make investment decisions on behalf of the investors. This management is essential because it leverages the expertise of these professionals in selecting the underlying assets, managing risks, and executing trades. The goal of a mutual fund is to pool money from many investors to create a diversified portfolio, which can be more effective than individual investors trying to manage their own investments alone. The professional management aspect helps investors benefit from the fund managers' knowledge and experience, as well as their ability to respond to market changes and trends. This characteristic distinguishes mutual funds from other types of investments, such as individual stocks or bonds, where investors must manage their own portfolios without any professional oversight.

## 8. When depositing cash and a check, how should the cash be recorded?

- A. List the cash deposit separately from the check**
- B. Combine cash and check deposit in one line**
- C. List only the total deposit amount**
- D. Record only the check amount**

When depositing cash and a check, listing the cash deposit separately from the check provides a clearer and more detailed record of the transaction. This separate recording allows for better tracking of cash flow versus check deposits, making it easier to manage and reconcile accounts. By distinguishing between the two types of deposits, you can ensure accurate bookkeeping and financial reporting. This practice also helps to identify any discrepancies in future transactions, as cash and checks may be handled differently by the bank. Additionally, separating these amounts complies with standard accounting practices, which advocate for detailed and itemized recording to enhance transparency and accountability in financial records.

**9. Which of the following careers would be a possible choice for someone interested in money and finance?**

- A. Banker**
- B. Teacher**
- C. Engineer**
- D. Medical Doctor**

A career as a banker is a fitting choice for someone interested in money and finance because banking is fundamentally centered on the management and movement of money. Bankers deal with financial transactions, savings, loans, investments, and various financial services that facilitate economic growth. This profession requires a solid understanding of financial principles, analytical skills to assess risks and returns, and an awareness of market trends. Bankers play a crucial role in personal and business financing, managing clients' wealth, and providing advice on financial decisions, all of which align directly with interests in money and finance. The other careers, while valuable in their own right, do not primarily focus on finance in the same way. Teaching, while essential, centers more on imparting knowledge in various subjects, engineering involves designing and building solutions typically within technology and infrastructure, and being a medical doctor focuses on healthcare and patient well-being rather than financial dealings. Thus, a banker represents the most direct and relevant career path for someone passionate about the financial world.

**10. Can Cathy withdraw money from her IRA savings account without penalties?**

- A. Yes, at any time**
- B. No, there is a 10% penalty before age 59**
- C. Yes, but she will lose interest**
- D. No, only for emergencies**

Cathy can withdraw money from her IRA savings account, but doing so comes with specific rules that include potential penalties. Generally, if she withdraws funds before reaching the age of 59½, the IRS imposes a 10% early withdrawal penalty on the amount taken out. This is meant to discourage individuals from accessing their retirement savings early, ensuring that they use these funds primarily for retirement purposes. While there are exceptions to this penalty—for example, in cases of significant medical expenses, disability, or the purchase of a first home—such circumstances must apply to avoid the penalty. Therefore, the statement about a 10% penalty before age 59 accurately reflects the standard rule governing early withdrawals from traditional IRAs. Understanding these regulations is crucial for anyone managing their own retirement accounts and planning their financial strategies accordingly.

# 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](mailto:hello@examzify.com).**

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

**<https://wisecertification.examzify.com>**

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

**SAMPLE**