

WISE CERTIFICATION PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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 might be a consequence of poor rental property management?**
 - A. Higher property value
 - B. Increased tenant satisfaction
 - C. Lower rental income
 - D. Decreased market competition
- 2. 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
- 3. To assess the time value of depositing \$100 in a savings account, which two factors are essential?**
 - A. The interest rate and time period
 - B. The rate of inflation and initial deposit
 - C. The interest rate and the rate of inflation
 - D. The amount of interest and fees
- 4. In the context of health insurance, what is a co-payment?**
 - A. The total amount paid for premiums
 - B. A fixed amount paid for a specific service at the time of care
 - C. The out-of-pocket limit set by the insurer
 - D. A percentage of the total medical bill
- 5. What is the best description of the relationship between educational level and earning power?**
 - A. A professional degree leads to lower earnings compared to high school graduates
 - B. A professional degree generally leads to higher earnings than not completing high school
 - C. There is no impact of education on potential earnings
 - D. Higher education decreases earning potential

- 6. Which documents are best suited for storage in a safe-deposit box?**
- A. Everyday receipts
 - B. Copies of current and past budgets
 - C. Old magazines
 - D. Inventory of personal belongings
- 7. Why are cigarettes considered expensive by some consumers?**
- A. High manufacturing costs
 - B. Government imposes an excise tax on them
 - C. They are imported from overseas
 - D. Brand loyalty influences pricing
- 8. Which of the following does the Federal Reserve use to regulate the nation's money supply?**
- A. Monetary policy
 - B. Fiscal policy
 - C. Banking regulations
 - D. Public debt management
- 9. Which of the following best describes "blue chip" stocks?**
- A. High-risk investments
 - B. Stocks with a long history of stability
 - C. Stocks traded on foreign exchanges
 - D. Stocks not paying dividends
- 10. Which term best describes income that is subject to tax deductions?**
- A. Gross income
 - B. Net income
 - C. Post-tax income
 - D. Before-tax income

Answers

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

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Explanations

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1. What might be a consequence of poor rental property management?

- A. Higher property value
- B. Increased tenant satisfaction
- C. Lower rental income**
- D. Decreased market competition

The consequence of poor rental property management leads to lower rental income due to several factors. When property management practices are subpar, it can result in issues such as prolonged vacancies, high tenant turnover, and inadequate property maintenance. These problems, in turn, impact the attractiveness of the property to potential renters. If units are not well-maintained or if tenant issues are not resolved promptly, they may become less desirable, leading to longer periods without tenants and consequently lower income. Additionally, ineffective management might not use proper marketing strategies or pricing adjustments, causing rental rates to remain stagnant or decrease as compared to well-managed properties. Poor communication with tenants often leads to dissatisfaction, which can drive tenants to seek better options, exacerbating turnover and further reducing income from the property. Overall, the financial health of the investment is closely tied to the effectiveness of the property management practices employed.

2. 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.

3. To assess the time value of depositing \$100 in a savings account, which two factors are essential?

- A. The interest rate and time period
- B. The rate of inflation and initial deposit
- C. The interest rate and the rate of inflation**
- D. The amount of interest and fees

The correct response focuses on understanding how the time value of money works when evaluating a deposit in a savings account. The interest rate is crucial because it determines how much the initial deposit will grow over time due to compounding. The rate of inflation is equally important as it impacts the purchasing power of the future money, indicating how much the value of money will decline over time as prices increase. Considering both of these factors provides a comprehensive view of not just the nominal growth of the deposit due to interest, but also the real value of that money after accounting for inflation. Without understanding the interest rate, one cannot assess the potential growth of the deposit; and without factoring in inflation, one cannot accurately evaluate the future worth of that growth in real terms. The other options do not adequately address both critical aspects of the time value of money. For instance, focusing solely on the initial deposit or fees does not relate to growth and inflation, which are key to this financial assessment.

4. In the context of health insurance, what is a co-payment?

- A. The total amount paid for premiums
- B. A fixed amount paid for a specific service at the time of care**
- C. The out-of-pocket limit set by the insurer
- D. A percentage of the total medical bill

A co-payment is defined as a fixed amount that a policyholder is required to pay for a specific healthcare service at the time the service is provided. This arrangement is typically outlined in a health insurance plan and is meant to share the cost of services between the insurer and the insured. The co-payment amount can vary depending on the type of service, such as a doctor's visit, specialist consultation, or prescription medication, and is often established at the time the insurance policy is created. This feature of health insurance helps manage costs and encourages patients to seek necessary medical care without facing overwhelming financial burdens. Other options do not accurately describe a co-payment: the total amount paid for premiums refers to regular payments to maintain coverage; the out-of-pocket limit is the maximum expense a person will incur in a year before the insurance covers all costs; and a percentage of the total medical bill relates to coinsurance, which involves sharing costs based on a percentage rather than a fixed fee.

5. What is the best description of the relationship between educational level and earning power?

- A. A professional degree leads to lower earnings compared to high school graduates
- B. A professional degree generally leads to higher earnings than not completing high school**
- C. There is no impact of education on potential earnings
- D. Higher education decreases earning potential

The chosen answer accurately reflects the established correlation between educational attainment and earning potential. Individuals who obtain a professional degree typically gain access to higher-paying job opportunities that require advanced knowledge or specialized skills. This educational achievement not only enhances job prospects but also significantly positions graduates in a more favorable earning bracket compared to those who have not completed high school. Research consistently shows that people with higher educational qualifications, such as professional degrees, enjoy increased earning power and often experience upward mobility within their careers. This trend is linked to the fact that those with advanced degrees are better equipped for roles that demand high levels of expertise and responsibility, leading to greater financial rewards in the job market. This understanding underscores the vital role education plays in economic stability and growth, illustrating why completing higher education is often seen as a strategic investment in one's future.

6. Which documents are best suited for storage in a safe-deposit box?

- A. Everyday receipts
- B. Copies of current and past budgets**
- C. Old magazines
- D. Inventory of personal belongings

The choice of storing copies of current and past budgets in a safe-deposit box is insightful, as these documents hold significant value for financial planning and record-keeping. Safe-deposit boxes are designed for safeguarding important and sensitive materials, ensuring they are protected from theft, loss, or damage. Budgets represent crucial financial information, allowing individuals or businesses to keep track of their income and expenses over time. They can be instrumental in making informed decisions about spending, saving, and investment. Storing these copies in a secure location helps ensure they remain accessible yet protected. On the other hand, everyday receipts, old magazines, and even an inventory of personal belongings are generally not considered essential to be stored in such a secure place. Everyday receipts can often be discarded or stored in less secure but still organized ways, especially after the necessary financial records have been compiled. Old magazines typically have little financial or personal value and do not need the level of protection offered by a safe-deposit box. An inventory of personal belongings might be important information, yet it is often better maintained in a home filing system or digital format for easier access and regular updates. In this context, the selection of budgets emphasizes the importance of financial management and the preservation of vital financial documents.

7. Why are cigarettes considered expensive by some consumers?

- A. High manufacturing costs
- B. Government imposes an excise tax on them**
- C. They are imported from overseas
- D. Brand loyalty influences pricing

Cigarettes are often considered expensive by some consumers primarily due to the excise taxes imposed by governments. These taxes are designed to serve multiple purposes: they act as a deterrent to smoking, help cover public health costs associated with smoking-related illnesses, and generate revenue for the government. The significant burden of these taxes can substantially increase the retail price of cigarettes, making them less affordable for consumers. While other factors, such as manufacturing costs, importation expenses, and brand loyalty, can contribute to the overall price consumers pay for cigarettes, governmental taxation is a primary regulatory mechanism that dramatically influences pricing in the market. This tax policy reflects broader public health goals as well as economic considerations, highlighting the impact of governmental decisions on consumer choices and behaviors.

8. Which of the following does the Federal Reserve use to regulate the nation's money supply?

- A. Monetary policy**
- B. Fiscal policy
- C. Banking regulations
- D. Public debt management

The Federal Reserve uses monetary policy as a primary tool to regulate the nation's money supply. Monetary policy involves the control of the money supply and interest rates to achieve macroeconomic objectives such as controlling inflation, maximizing employment, and stabilizing the financial system. The Federal Reserve can adjust the money supply through various mechanisms, including open market operations, the discount rate, and reserve requirements. Open market operations involve buying or selling government securities to influence the amount of money in the banking system. When the Federal Reserve buys securities, it increases the money supply by providing banks with more capital to lend, which can stimulate economic growth. Conversely, selling securities decreases the money supply. In contrast, fiscal policy, focused on government spending and taxation, is determined by the legislative branch and is not a tool used by the Federal Reserve. Banking regulations pertain to the rules governing financial institutions, while public debt management involves handling the government's borrowing needs. Each of these plays a role in the broader economic landscape, but they do not directly relate to the Federal Reserve's function in managing the money supply.

9. Which of the following best describes "blue chip" stocks?

- A. High-risk investments
- B. Stocks with a long history of stability**
- C. Stocks traded on foreign exchanges
- D. Stocks not paying dividends

"Blue chip" stocks are best described as stocks with a long history of stability. This term refers to shares of well-established companies that have a solid track record of reliability, consistent performance, and strong financials. These companies are typically leaders in their industries and have a reputation for maintaining quality and financial integrity over time. Investors often favor blue chip stocks because they tend to withstand market fluctuations better than more volatile stocks, offering a sense of security and the potential for steady dividends. The other options do not capture the essence of blue chip stocks. High-risk investments typically refer to stocks that can lead to substantial gains but also come with a higher chance of loss, which is contrary to the stability associated with blue chip stocks. Stocks traded on foreign exchanges can include a range of companies and do not specifically indicate quality or reliability, so this description does not apply. Lastly, not all blue chip stocks are dividend-averse; in fact, many tend to offer dividends, making them attractive to investors seeking income alongside potential capital appreciation.

10. Which term best describes income that is subject to tax deductions?

- A. Gross income**
- B. Net income
- C. Post-tax income
- D. Before-tax income

The term that best describes income subject to tax deductions is gross income. Gross income includes all sources of income received by an individual or entity before any deductions or taxes are applied. This encompasses wages, salaries, bonuses, interest, dividends, and any other earnings. It provides the total income figure upon which tax calculations are based, making it essential for understanding the scope of taxable income. In contrast, net income reflects the amount remaining after all deductions, including taxes, have been subtracted from gross income. Post-tax income refers to income that remains after taxes have already been deducted, while before-tax income highlights earnings before any taxes are applied. Understanding these distinctions emphasizes why gross income is the correct term in the context of income subject to tax deductions.

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://wisecertification.examzify.com>

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

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