CPWM Practice Test Questions and Answers

1. What is the primary focus of wealth management?

A) Selling financial products
B) Comprehensive financial planning to preserve and grow client wealth
C) Tax preparation only
D) Insurance sales exclusively

2. Which service is typically included in private wealth management?

A) Basic checking accounts only
B) Investment management, estate planning, tax optimization, and risk management
C) Simple savings accounts
D) Mortgage origination only

3. How should a wealth manager assess a client's risk tolerance?

A) Assume all clients want high risk
B) Through comprehensive questionnaires, discussions about goals, and financial situation analysis
C) Based on age alone
D) Use the same approach for all clients

4. What is important when creating an estate plan for wealthy clients?

A) Focus only on current assets
B) Tax efficiency, succession planning, charitable giving strategies, and family dynamics
C) Simple will preparation only
D) Avoid discussing family issues

Answers: 1-B 2-B 3-B 4-B