

CMT Test Bank and Sample Questions Errata

Level I

12/5/18	TB.LI.trends.bas.367	1	Level I Test Bank, Trends - The Basics	<ul style="list-style-type: none"> Remove the fourth choice " Stop-Loss Orders" and change to "Break above J.M Hurst's VLT" The correct choice to answer this question is the first one, "Changes in momentum" The justification for the answer is: <p>All of the other choices mentioned here are part of trading rules/ methodologies/ and or systems. The only exception is Changes in Momentum. A change in momentum, no matter how significant, or recurring, is at best a sign of weakening strength in the underlying trend. More importantly, a change in momentum can only morph into an actionable trade when price action confirms said change.</p>
12/5/18	TB.LI.trends.bas.388	1	Level I Test Bank, Trends - The Basics	<ul style="list-style-type: none"> "Is a reversal pattern in the majority of cases" should be the correct answer to this question. All rationales can stay the same.
12/5/18	TB.LI.sh.term.pat.067	1	Level I Test Bank, Short Term Patterns	<ul style="list-style-type: none"> Delete the current third choice "Candlesticks reveal the sequence in which prices travels between the session's open and close" and replace it with "Candlesticks reveal the sequence in which price traveled between the session's high and low" The new third choice "Candlesticks reveal the sequence in which price traveled between the session's high and low" becomes the correct answer

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				<ul style="list-style-type: none"> The justification associated with the third choice being the correct answer is as follows: <ul style="list-style-type: none"> Candlesticks, in spite of plotting the sessions high and low, do not provide a descriptive account of the sequence of events for such extremes. If you were to look at a candlestick, you have no way of telling if the high was printed before the low of the session or vice versa. This can only be done by changing the time frame to a lower horizon. This means the original time frame is useless in displaying the sequence of price movement for that day. Granted, you would know the sequence of final movement between the open and close. However, you would not know how often that move happened based on the shape of that candle.
12/6/18	CMTSEL1B_0044 CMTSEL1B_0092 CMTSEL1B_0112 CMTSEL1B_0116	I	Level I, Sample Questions B	<ul style="list-style-type: none"> CMTSEL1B_0044--D is the correct answer CMTSEL1B_0092--B is the correct answer CMTSEL1B_0112--A is the correct answer CMTSEL1B_0116--D is the correct answer