IFSE Institute CIFC Practice Questions

Shared by Madden on 26-10-2026

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Question 1

Question Type: MultipleChoice

Thomas, a resident of Ontario, is a full-time university student. He does food delivery to supplement his income. During the school year, he works on weekends and works full-time during his summer break.

Thomas' pensionable earnings were $16,000 for the year. How much must Thomas contribute to CPP when CPP contribution rate is 5.95%?

Options:

A- $0
B- $743.75
C- $912.00
D- $1,425.00

Answer:

B

Question 2

Question Type: MultipleChoice

Which option best form part of the disclosure documents relating to mutual funds?

Options:

A- balance sheet, income and cash flow statements of the portfolio management company
B- statement of net assets, annual information form, management reports of fund performance
C- annual proxy voting record, audited financial statements, and proof of registration
D- new account information form, quarterly financial statements, and security certification

Answer:

B

Question 3

Question Type: MultipleChoice

Russell is a Dealing Representative with Wealth Quest Strategies Ltd., a mutual fund dealer and member of the Mutual Fund Dealers Association of Canada (MFDA). Russell is developing his website to

include sales content on a Target Date Fund. Which of the following is Russell permitted to include on his website about the Target Date Fund?

i. the asset mix through the life of the fund until the future date

ii. the expected decline in the fund's risk level as the fund reaches its target date

iii. the guaranteed return that the client will receive on the future date

iv. a graphic illustration of the fund's promised growth on target date

Options:

A- i and ii
B- i and iii
C- ii and iv
D- iii and iv

Answer:

A

Question 4

Question Type: MultipleChoice

Last year Peter's earned income from employment was $50,000.

Last year, after receiving a $2 per share in dividends from 500 shares in ABC Inc., a publicly-traded Canadian corporation, he sold his shares. The sale resulted in a capital gain of $15,000.

Taxable Income	Federal Marginal Tax
First $48,535	15%
Over $48,535 up to $97,069	20.5%
Over $97,069 up to $131,220	26%
Over $131,220 up to $150,473	26%
Over $150,473 up to $157,464	29%
Over $157,464.01 up to $209,952	29%
Dividend Gross-up Rate	38%
Dividend Tax Credit Rate	15.02% (of the grossed up dividend)

Based on the tax rates mentioned above, What is Peter's net federal tax liability for the year? (Round to 2 decimal places).

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Options:

A- $9,953.30
B- $9,193.69
C- $9,113.53
D- $9,696.15

Answer:

B

Question 5

Question Type: MultipleChoice

Portia is a Dealing Representative with Highview Wealth Inc., a mutual fund dealer. Portia recommends the Stature Growth Fund to her client Clive. Which of the following CORRECTLY describes what Portia must do in order to satisfy her obligations under the Client Relationship Model (CRM) and Client Focused Reforms (CFR)?

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Options:

A- Portia must calculate the net asset value per unit (NAVPU) and report it to Give in the trade confirmation.
B- Portia must mark the trade as ^unsolicited' if Clive wants to proceed with the trade and it is not suitable for him.
C- Portia must disclose the costs, expenses, and ongoing fees associated with the investment prior to the trade.
D- Portia must provide Clive with the pre-trade disclosure to address any material conflicts of

interest with the trade.

Answer:

C

Question 6

Question Type: MultipleChoice

What purpose does it serve for non-money market mutual funds to hold money market instruments?

Options:

A- Money market instruments primarily generate investment income that provides investors with preferential tax treatment.
B- If the portfolio manager has an immediate need for cash, money market instruments are relatively easy to liquidate.
C- They are purchased by non-money market funds to satisfy the regulatory requirement of fund diversification.
D- They ensure that the fair market value of a mutual fund will not drop below a minimal market value.

Answer:

B

Question 7

Question Type: MultipleChoice

Which statement about unused registered retirement savings plan (RRSP) contribution room is CORRECT?

Options:

A- It may not be more than the RRSP contribution limit for the year in which it is carried forward.
B- It can be carried forward to future years.
C- It can be carried forward a maximum of seven years.

D- It may not be carried forward.

Answer:

B

Question 8

Question Type: MultipleChoice

Sheldon is a 25 year old graphic designer. He has just started working and saves regularly. Apart from his regular salary he also earns extra money from freelancing after office hours and during weekends. His earnings from his freelance work are sufficient for meeting his living expenses. He saves the entire amount of his salary. He has heard about lifecycle funds but has come to you for additional information.

Which option best statement about lifecycle funds is TRUE?

Options:

A- As Sheldon gets older, the life cycle asset allocation changes from more risky to less risky.
B- All lifecycle funds start with equal allocations to cash, fixed income and equities before being re-balanced.
C- The asset allocation of a lifecycle fund is set based on the age demographic of its unitholders and remains the same for the time frame of the lifecycle fund.
D- Investor income is the only basis for changing the asset allocation of a lifecycle mutual fund.

Answer:

A

Question 9

Question Type: MultipleChoice

Which of the following best describes implied needs of your clients?

Options:

A- They are needs reflected by statements made by clients regarding problems and dissatisfactions.

B- They are statements made by you showing readiness to solve a client's problem.
C- They are statements made by clients expressing the desire for lower commissions.
D- They are statements of wants and needs made by clients.

Answer:

A

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