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2017

EXAM

REVIEW

+ TEST BANK

The National Commodities
Futures Examination

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WILEY SERIES 3 EXAM REVIEW 2017

**National Commodities
Futures Examination**

The Securities Institute of America, Inc.

WILEY

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About the Series 3 Exam

Congratulations! You are on your way to becoming licensed to transact business in commodity futures and options on futures. The Series 3 exam is a 120-question exam presented in both multiple-choice and true/false format. Each candidate will have 2 hours and 30 minutes to complete the exam. A score of 70% or higher is required on each of the two sections to pass. The Series 3 is as much a knowledge test as it is a reading test. The writers and instructors at The Securities Institute have developed the Series 3 textbook and exam prep software to ensure that you have the knowledge required to pass the test and that you are confident in your ability to apply that knowledge during the exam.



IMPORTANT EXAM NOTE!

The Series 3 exam is one of the only exams that contains both multiple choice style questions and true / false style questions. The Series 3 also requires a passing score of 70% in each of the two sections of the test to pass the exam.

To contact The Securities Institute of America, visit us on the Web at www.SecuritiesCE.com or call 877-218-1776.

TAKING THE SERIES 3 EXAM

The Series 3 exam is presented in multiple-choice format on a touch-screen computer known as the PROCTOR system. No computer skills are required, and candidates will find that the test screen works in the same way as an ordinary ATM machine. Each test is made up of 120 questions that are randomly chosen

from a test bank of several thousand questions. The test has a time limit of 2 hours and 30 minutes, which is enough time for all candidates to complete the exam. Each Series 3 exam includes questions that focus on the following areas:

Part 1

- Futures Trading Theory and Futures Terminology—16 questions
- Futures Margins, Options Premiums, Price Limits, Settlements, Delivery, Exercise and Assignment—15 questions
- Types of Orders, Customer Accounts, Price Analysis—11 questions
- Basic Hedging and Hedging calculations—9 questions
- Financial Hedging—10 questions
- Spreading—3 questions
- Speculation in Commodity Futures, Financial Futures—16 questions
- Option Speculation, Hedging, and Spreading—5 questions

Part 2

- CFTC/NFA Rules and Regulations—35 Questions

HOW TO PREPARE FOR THE SERIES 3 EXAM

For most candidates, the combination of reading the textbook and taking as many practice questions as they can proves to be enough to successfully complete the exam. It is recommended that you spend at least 60 to 70 hours preparing for the exam by reading the textbook, underlining key points, and completing as many practice questions as possible. We recommend that students schedule the exam no more than 1 week after completing their Series 3 exam prep.

Test-Taking Tips

- Read the full question before answering.
- Identify what the question is asking.
- Identify key words and phrases.
- Watch out for hedge clauses, such as *except* and *not*.

- Eliminate wrong answers.
- Identify synonymous terms.
- Be wary of changing answers.

WHAT TYPE OF POSITIONS MAY A SERIES 3 REGISTERED PRINCIPAL HOLD?

Individuals who have passed the Series 3 exam may register as an associated person with an NFA member and may transact business in futures contracts. Individuals who have passed the Series 3 exam may apply for NFA membership as associated persons of any of the following:

- Sole proprietor
- Futures commission merchant (FCM)
- Retail foreign exchange dealer (RFED)
- Introducing broker (IB)
- Commodity pool operator (CPO)
- Commodity trading advisor (CTA)

WHAT SCORE IS REQUIRED TO PASS THE EXAM?

A score of 70% or higher is needed in each of the two sections to pass the Series 3 exam.

ARE THERE ANY PREREQUISITES FOR THE SERIES 3?

There are no prerequisites for the Series 3 exam.

HOW DO I SCHEDULE AN EXAM?

Ask your firm's compliance department to schedule the exam for you or to provide a list of test centers in your area. You are NOT required to be sponsored by a Financial Industry Regulatory Authority (FINRA) member firm prior to making an appointment. The Series 3 exam may be taken any day that the exam center is open.

WHAT MUST I TAKE TO THE EXAM CENTER?

A picture ID is required. All other materials will be provided, including a calculator and scratch paper.

HOW SOON WILL I RECEIVE THE RESULTS OF THE EXAM?

The exam will be graded as soon as you answer your final question and hit the “Submit for Grading” button. It will take only a few minutes to get your results. Your grade will appear on the computer screen, and you will be given a paper copy by the exam center.

About This Book

The writers and instructors at The Securities Institute have developed the Series 3 textbook and exam prep software to ensure that you have the knowledge required to pass the test, and to make sure that you are confident in the application of the knowledge during the exam. The writers and instructors at The Securities Institute are subject matter experts as well as Series 3 test experts. We understand how the test is written and our proven test-taking techniques can dramatically improve your results.

Each chapter includes notes, tips, examples, and case studies with key information; hints for taking the exam; and additional insight into the topics. Each chapter ends with a practice test to ensure you have mastered the concepts before moving onto the next topic.

About the Test Bank

This book is accompanied by a test bank of more than 150 questions to further reinforce the concepts and information presented here. The access card in the back of this book includes the URL and PIN code you can use to access the test bank. This test bank provides a small sample of the questions and features that are contained in the full version of the Series 3 exam prep software.

If you have not purchased the full version of the exam prep software with this book, we highly recommend it to ensure that you have mastered the knowledge required for your Series 3 exam. To purchase the exam prep software for this exam, visit The Securities Institute of America online at www.SecuritiesCE.com or call 877-218-1776.

About The Securities Institute of America

The Securities Institute of America, Inc. helps thousands of securities and insurance professionals build successful careers in the financial services industry every year.

Our securities training options include:

- Classroom training
- Private tutoring
- Interactive online video training classes
- State-of-the-art exam preparation software
- Printed textbooks
- Real-time tracking and reporting for managers and training directors

As a result, you can choose a securities training solution that matches your skill level, learning style, and schedule. Regardless of the format you choose, you can be sure that our securities training courses are relevant, tested, and designed to help you succeed. It is the experience of our instructors and the quality of our materials that make our courses requested by name at some of the largest financial services firms in the world.

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