

List of High-Yield Questions for Level II

We have identified the most important practice problems from the curriculum that you must do.

Ideally you should do all practice problems, but if you are time constrained you should at least do the questions on this list.

As part of your final revision review these questions again to reinforce key concepts.

Note: In the table below PP refers to the Practice Problem which you will find at the end of each reading in the curriculum.

In some cases curiculum examples are referred to and in some cases the IFT Q-bank is referred to.

For more Information visit www.ift.world

Topic Quantative Methods

IFT strongly recommends that you do all the practice problems in the curriculum, but if you are severely time constrained do at least the following.

Reading	Question #	Concept Tested
	PP1	Fintech
	PP2	Big data
	PP3	Machine learning
	PP4	Text analytics
Fintech	PP5	Robo- advisory services
	PP6	Risk analysis
	PP7	Algorithmic trading
	PP8	DLT
	PP9	DLT
	PP5 - PP10	
	PP5	Coefficient of determination = R-squared
	PP6	Effect of deleting observations on R-Squared and SEE
	PP7	Correlation coefficient = Multiple R
	PP8	F - Stat formula
	PP9	Predicting independent variable using regression equation
	PP10	Interpreting p-values
	PP11 - PP16	Interpreting p values
	PP11	Testing the significance of the correlation coefficient
	PP12	Time series vs cross sectional data
	PP13	Predicting independent variable using regression equation
	PP14	Interpreting R-squared
Correlation and Regression	PP15	
Correlation and Regression	PP16	Interpreting SEE
	PP17 - PP26	Interpreting t-stats
	PP17 - PP26 PP17	Scatter plots
	PP18	Calculating sample covariance
	PP19	
	PP20	Calculating sample correlation
		Interpreting regression results
	PP21	Dependent vs independent variable
	PP22	Degrees of freedom
	PP23	Calculating confidence intervals
	PP24	Interpreting t-stats
	PP25	Predicting independent variable using regression equation
	PP26	Calculating F-stat
	PP17 - PP22	
	PP17	Predicting independent variable using regression equation
	PP18	Confidence interval for the regression coefficient
	PP19	Testing the significance of the correlation coefficient
	PP20	Interpreting multiple R-squared
	PP21	Problems in regression analysis - Heteroskedasticity
	PP22	Model misspecification issues - omitted variable
	PP29 - PP36	
	PP29	Calculating F-statistic
	PP30	Qualitative independent variables - interpreting coefficients
	PP31	Problems in regression analysis - multicollinearity
	PP32	Qualitative independent variables - setting up the model

Multiple Regression and Machine Learning P37 PP45 P38 Qualitative dependent variables - when to use probit and logit models P39 Testing the significance of the correlation coefficient P39 Testing the significance of the correlation coefficient P39 Interpreting p-values P40 Predicting independent variable using regression equation P41 Requared and adjusted Requared P42 Interpreting F-Stat P44 Assumptions of multiple regression P45 Adjusted Requared P46 Adjusted Requared P47 Adjusted Requared P48 Adjusted Requared P49 Adjusted Requared P40 P41 Assumptions of multiple regression P40 P41 Assumptions of multiple regression P41 P42 P44 Assumptions of multiple regression P40 Adjusted Requared P41 Assumptions of multiple regression P41 P42 P44 Assumptions of multiple regression P41 P42 P45 Adjusted Requared P40 P41 Assumptions of multiple regression P41 P44 Assumptions of multiple regression P41 P43 P44 Assumptions of multiple regression P41 P44 P45 Adjusted Requared P46 P47 P48 P48 P48 Assumptions of multiple regression P41 P49 Assumptions of multiple regression P41 P44 Assumptions of multiple regression P41 P45 Adjusted Requared P47 P48 P49 P48 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P48 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P49 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P40 Assumptions of multiple regression P48 P40 Assum			
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Q4 To define the probability distribution for the simulation variables Q5 To explain the results of a simulation			· ·
Q5 To explain the results of a simulation			To define the probability distribution for the simulation variables
		Q6	

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Topic Economics

IFT strongly recommends that you do all the practice problems in the curriculum, but if you are severely time constrained do at least the following.

Reading	Question #	Concept Tested
	PP6 - PP12	
	PP6	Uncovered interest rate parity
	PP7	Flow supply/demand channel
	PP8	Portfolio balance approach
	PP9	Mundell-Fleming model
	PP10	Portfolio- balance approach
	PP11	Capital control and central bank intervention
Currency Evehance Peters	PP12	Warning signs of a currency crisis
Currency Exchange Rates:	PP13 - PP20	
Determination and Forecasting	PP13	Bid-offer spread
	PP14	Factors affecting bid-offer spread
	PP15	Triangular arbitrage profit
	PP16	Forward contract - mark to market
	PP17	Covered interest rate parity interpretation
	PP18	Calculating forward points using covered interest rate parity
	PP19	International parity conditions
	PP20	International parity conditions
	PP7 - PP15	
	PP7	Factors favoring and limiting economic growth
	PP8	Capital deepening investment and technological progress
	PP9	Sustainable growth rate of the economy
Economic Growth and the	PP10	Potential GDP
Investment Decision	PP11	Capital deepening investment and technological progress
	PP12	Demographic factors
	PP13	Natural resources
	PP14	Demographics, immigration, and labor force participation
	PP15	Convergence hypotheses
	PP7 - PP13	
	PP7	Classification of regulators
	PP8	SRO
Economics of Regulation	PP9	'Unintended' implementation cost
Economics of Regulation	PP10	Regulatory tools
	PP11	Regulatory competition
	PP12	Regulation of commerce
	PP13	Regulatory tools

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Topic Alternative Investments

IFT strongly recommends that you do all the practice problems in the curriculum, but if you are severely time constrained do at least the following.

Reading	Question #	Concept Tested
	PP1 - PP12	
	PP1	Interpreting NOI
	PP2	Real estate valuation - misc items
	PP3	Calculating growth rate
	PP4	Discounted cash flow method
	PP5	Direct capitalization method
Private Real Estate Investments	PP6	Sales comparison approach
	PP7	Due diligence
	PP8	All cash purchase v/s used of debt
	PP9	Calculating maximum loan amount
	PP10	Benefits of private equity real estate investments
	PP11	Sources of risk for real estate investments
	PP12	Real estate investment: Basic forms
	PP1 - PP6	
	PP1	REITs v/s REOCs
	PP2	Net asset value approach
	PP3	Relative valuation using property subsector average P/FFO multiple
	PP4	Discounted cash flow valuation using a two- step dividend model
Publicly Traded Real Estate	PP5	Relative valuation using property subsector average P/AFFO multiple
	PP6	Principal risk factors for REITs
Securities	PP7 - PP12	·
	PP7	Investment characteristics of REITs
	PP8	Disadvantages of REITs
	PP9	Economic value determinants for different types of REITs
	PP10	Adjusted funds from operations (AFFO)
	PP11	Relative value approach - P/FFO multiple
	PP12	Discounted cash flow approach - 2 step model
	PP7 - PP12	
	PP7	Valuation characteristics of buyout vs. venture capital investments
	PP8	Alignment of interests
	PP9	Evaluating fund performance
	PP10	Evaluating fund performance
	PP11	Exit routes
	PP12	Valuation issues in buyout and venture capital transactions
Private Equity Valuation	PP13 - PP18	
	PP13	Valuation characteristics of buyout vs. venture capital investments
	PP14	Value creation in buyout firms
	PP15	Distribution waterfall
	PP16	Calculating total value to paid- in capital (TVPI)
	PP17	Calculating carried interest
	PP18	Evaluating fund performance
	PP1 - PP8	
	PP1	Commodity futures market participants
	PP2	Characteristics of commodity sectors
0	PP3	Valuation of commodities
Commodity and Commodity Derivatives: An Introduction	PP4	Backwardation
	PP5	Theories explaining futures returns
	PP6	Roll returns
	PP7	Calculating total return
	PP8	Total return swap
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