

Section 3

Basic Price Patterns

Section Review Questions

Question 1

Which of the following chart patterns is usually considered a *bearish* reversal pattern?

- a) Rounding Bottom
- b) Ascending Triangle
- c) Falling Wedge
- d) Head & Shoulders Top

Question 2

In the following chart, which chart pattern is most clearly delineated using the two trend lines?



- a) Pennant
- b) Flag
- c) Wedge
- d) Cup with Handle

Question 3

When is a Head & Shoulders pattern considered to be complete?

- a) After the formation of the head
- b) After the formation of the peak of the right shoulder
- c) When the neckline is established
- d) When the neckline support is broken

Question 4

Which type of Triangle chart pattern is formed with a horizontal support line?

- a) Descending Triangle
- b) Symmetrical Triangle
- c) Ascending Triangle
- d) Complex Triangle

Question 5

Which of the following chart patterns usually takes the longest time to form?

- a) Pennant
- b) Rounding Bottom
- c) Flag
- d) Symmetrical Triangle

Question 6

This chart pattern was developed by William O'Neil and was introduced in his book, *How to Make Money in Stocks*.

- a) Head & Shoulders
- b) Measured Move
- c) Cup with Handle
- d) Bump and Run Reversal

Question 7

As with the Symmetrical Triangle, this pattern is also a neutral pattern that is dependent on the direction of the future breakout to determine if it is bullish or bearish.

- a) Ascending Triangle
- b) Falling Wedge
- c) Double Top
- d) Rectangle

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Section Review Answers

1) d

2) b

3) d

4) a

5) b

6) c

7) d