Section 8

Technical Overlays

Section Review Questions

Question 1
A moving average crossover would generate a BUY signal when:

    a) A longer moving average crosses a shorter moving average from above
    b) A shorter moving average crosses a longer moving average from below
    c) A longer moving average crosses a shorter moving average from below
    d) A shorter moving average crosses a longer moving average from above

Question 2
In the Parabolic SAR indicator, SAR stands for:

    a) Start and Repeat
    b) Stop and Repeat
    c) Start and Reverse
    d) Stop and Reverse

Question 3
Pivot Points use the prior period's _____, _____, and _____ to formulate future support and resistance.

    a) High, low, close
    b) Open, high, low
    c) Open, close, high
    d) High, open, close

Question 4
Which of the following is a characteristic of the Zig-Zag feature?

    a) It is a way to filter out smaller price movements
    b) It has no predictive power
    c) Can be set at various % levels
    d) All of the above

Question 5
Which of the following retracement percentages is NOT based on a Fibonacci number?

    a) 61.8%
    b) 38.2%
    c) 72.4%
    d) 23.6%

Question 6

Fibonacci retracement levels can be used as potential resistance or support areas and are based on which of the following?

a) Average true range
b) Moving average envelope
c) Prior move
d) Last six months trading activity

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Section Review Answers

1) b
2) d
3) a
4) d
5) c
6) c