

## Section 9

# Intermediate Indicators

## Section Review Questions

### Question 1

Which of the following statements about Average Directional Index (ADX) is NOT true?

- a) The ADX measures trend strength without regard to trend direction
- b) +DI and -DI are used to define directional movement when interpreting ADX
- c) The DI crossover system can be used to identify potential buy and sell signals
- d) A strong trending market is present when the ADX is above 50

### Question 2

Which of the following are commonly used potential buy and sell signals when interpreting Moving Average Convergence Divergence (MACD)?

- a) Signal Line Crossover
- b) Centerline Crossover
- c) Divergences
- d) All of the above

### Question 3

The Money Flow Index (MFI) is also known as:

- a) Volume-weighted ADX
- b) Volume-weighted RSI
- c) Price-weighted Stochastics
- d) Price-weighted MACD

### Question 4

The default look-back period for calculating the Relative Strength Index (RSI) is?

- a) 12
- b) 20
- c) 14
- d) 10

### Question 5

When looking at the following indicators, which one is in overbought territory based on the traditional settings for each indicator?



- a) Slow Stochastics
- b) Money Flow Index
- c) Relative Strength Index
- d) All of the above

**Question 6**

Which of the following statements is NOT true concerning On Balance Volume (OBV)?

- a) OBV is based on the theory that volume precedes price
- b) OBV was developed by Joe Granville
- c) Divergences should NOT be used to anticipate trend reversals when analyzing OBV
- d) OBV can be used to confirm a price trend

**Question 7**

Which of the following are considered Market Breadth Indicators?

- a) Advance-Decline Line
- b) McClellan Oscillator
- c) Arms Index
- d) All of the above

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**Section Review Answers**

**1) d**

**2) d**

**3) b**

**4) c**

**5) a**

**6) c**

**7) d**