

14. Jane has two investments correlated as follows

Investment	X	Y
X	1	-0.2
Y	-0.2	1

From this data it can be inferred that if investment X rose by 8%, then investment Y would

- A. fall by 1.6%.
- B. fall by 2%.
- C. rise by 1.6%.
- D. rise by 2%.

**Key option: A**

**Learning outcome: 3.1**

**Question 7 has been replaced in the 2016/2017 J10 guide.**

7. A client has £5,000 invested in a cash ISA structured product with a kick-out clause, which was purchased to provide for potential long-term growth. He should be aware that the ISA
- A. is not covered by the Financial Services Compensation Scheme.
  - B. may be encashed at any time.
  - C. cannot be transferred to a stocks and shares ISA.
  - D. must be held until maturity or earlier designated kick-out dates.

**Key option: B**

**Learning outcome: 2.1**