

Securities Industry Essentials (SIE) Best Practices Guide



Kaplan Financial Education created this **Best Practices Guide** to help you pass your SIE exam the first time.

Securities Industry Essentials (SIE) Exam Details

This is an entry-level exam assessing a candidate's knowledge of basic securities industry information. It is a corequisite to several representative-level qualification exams.

Exam Stats

Study time: 70–90 hours; 3–4 weeks

Format: 75 multiple-choice questions, plus 10 additional “pre-test” questions that are not scored or identified

Testing time: 1 hour, 45 minutes

Some parts that may pose a greater challenge for students:

Part 1: Understanding Products and Their Risks

Part 2: Knowledge of Capital Markets

Part 3: Understanding Trading, Customer Accounts and Prohibited Activities

Test-Taking Tips

License Exam Manual

SecuritiesPro™ QBank

Practice and Mastery Exams

Additional Study Tools

Pay special attention to the characteristics and risks of each product discussed in the units of our License Exam Manual. This is an area FINRA has been focused on and, therefore, could be a big part of the exam!

Test-Taking Tips

Read the Full Question

Questions are often written to trap people who assume too much.

Avoid Jumping to Conclusions and Watch for Hedge Clauses

Examples of hedge clauses include the terms *if*, *not*, *all*, *none*, and *except*. In the case of *if* statements, the question can be answered correctly only by taking into account the qualifier.

Look for Key Words and Phrases

Look for words that are tip-offs to the situation presented. For example, if you see the word *prospectus* in the question, you know the question is about a new issue.

Interpret the Unfamiliar Question

Do not be surprised if some questions on the exam seem unfamiliar at first. Very often, questions present information indirectly. You may have to interpret the meaning of certain elements before you can answer the question. The exam will approach a given concept from several different angles.

Use Information from Prior Questions

Information found in one question will likely help you answer a different question.

Define What is Being Asked

Many questions supply too much information, which is often the case in story problems. Learn to separate the story from the question. Take the time to identify what the question is asking.

Use a Calculator

Most of the questions requiring calculations are written so that any math needed is simple in nature and function. However, using a calculator is recommended to ensure that common math errors do not lead to incorrect answers.

Beware of Changing Answers

If you are unsure of an answer, your first hunch is most likely correct. Change an answer only if you discover you did not read the question correctly, or if you find new or additional helpful information in another question.

Pace Yourself

Watch the time carefully (your time remaining will be displayed on your computer screen) and pace yourself throughout the exam.

Primary Study Tools

License Exam Manual (LEM)

This comprehensive textbook covers all aspects of your exam. Short, focused paragraphs with numerous graphics and exercises will help you learn faster and retain critical information.

The introduction found in your LEM will review the specifics of your exam. Many candidates skip the introduction and, as a result, must work harder than those who take the time to read it. This section includes:

- Prerequisites
- Timing of the exam
- Topics covered and weighting of your exam
- Important test-taking tips

How to best utilize the LEM:

Thoroughly read one unit at a time. Plan to spend 3 to 4 hours per part to fully comprehend the material.

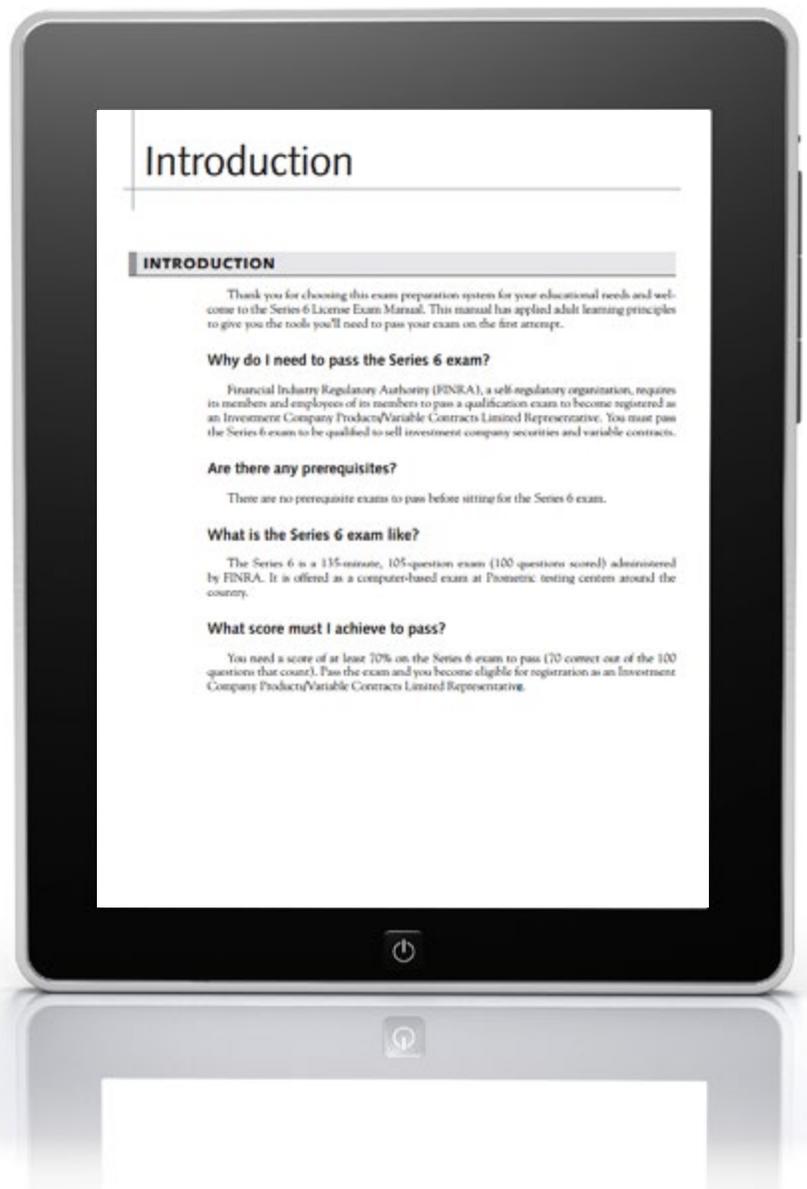
Pay special attention to the *Test Topic Alerts* and *Take Notes*, where we identify information that is likely to show up on your exam.

Complete each *Knowledge Check*, reviewing the answers and rationales. The rationales of questions are provided to reinforce your comprehension of the material.



Study Tip:

Do not become too overwhelmed by any one unit. Keep moving forward if you encounter difficulty with one unit.



SecuritiesPro™ QBank

This may be the most important tool you have other than the LEM. Test yourself with practice questions and solutions. Then, pinpoint problem areas by building customized exams based on length and topic of your choice. The QBank also lets you create online personal notes and bookmarks for future reference.

Scores in the mid- to high-60s are good initially. Your scores will improve as you continue your studies. We suggest the following guidelines to best utilize your QBank:

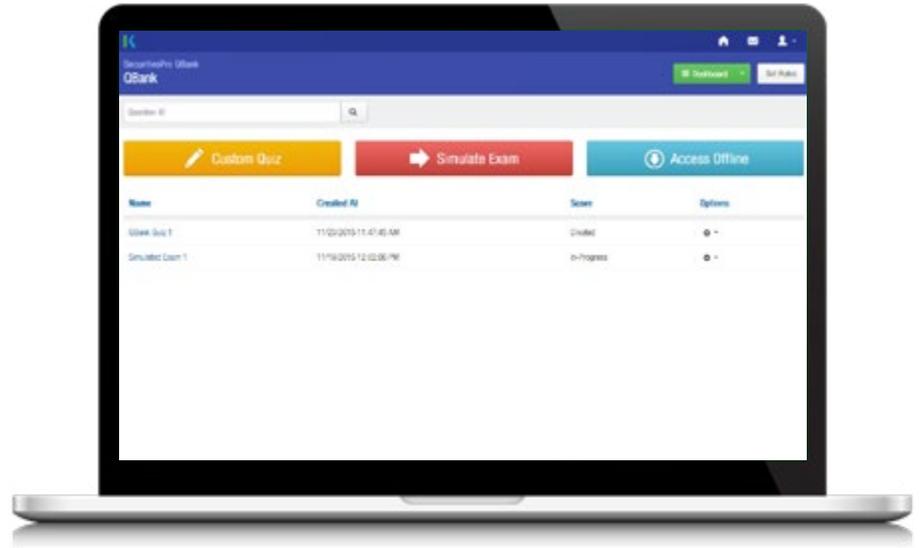
- Build two QBank exams for each unit based on your Study Calendar. Do not take short, repetitive unit exams, as this will lead to memorization versus comprehension. View rationales after each question, and spend time studying each rationale in order to learn the concepts.
- Gain a comfort level with each unit until you feel confident enough to move on to the next unit, but don't feel you need to master every topic before moving on.

Remediation Tips:

- Use the learning objective of each rationale to locate additional information on the test topic in your LEM if needed.
- Using your Performance Tracker report, identify weak areas and review these units in the LEM and Video Library (if available).

Simulated (Weighted Mock) Exams

These weighted exams contain questions pulled from the QBank. The exams allow a review of answers and rationales and may be created an unlimited number of times.



Study Tip:

Smaller exams can be built by selecting the **Custom Quiz** button in your QBank.

Practice and Mastery Exams

Designed to be a measurement tool, the Practice and Mastery Exams provide a valuable means of evaluating your preparedness for passing the exam on the first try. These exams may only be taken once each. There are no answers or rationales provided, although you are given a diagnostic report of your results. These exams are designed to closely replicate the true exam experience, both in terms of the degree of difficulty and topical coverage.

The better you do on these exams, the more likely you are to pass your actual exam.

1. Do not take the Practice Exam or Mastery Exam until you have read the entire LEM and completed all recommended unit exams.
2. Attend class (if scheduled) and complete all homework assignments. The review class you complete is designed to tie any loose ends together so everything makes sense.
3. Complete the Practice Exam after reading the LEM and after attending class (if you are registered for one).
4. Within one week of attending class (if scheduled) or reading the LEM:
 - Complete the Mastery Exam.
 - Continue to build QBank exams and Simulated (Weighted Mock) Exams, with a goal of consistently scoring in the 80s.
 - Review LEM as needed.
 - Review notes from class as needed.
5. Take your SIE exam within 3 to 10 days of completing your class.

Remediation Tips:

- Upon completion of the Practice and Mastery Exams, be sure to review your Performance Tracker report.
- Reread the portions of the LEM and watch videos from the Video Library, OnDemand Class, or Live Online Class that cover topics you did not score well on.
- Create 100-question practice exams from your QBank on areas of weakness. Review the questions and rationales at the end of each test.
- Continue to complete Simulated (Weighted Mock) Exams and review the questions and rationales at the end of each test.
- Your goal should be to comprehend the material and consistently score in the 80s on your practice exams.



Study Tip:

Spend at least one week testing before class.

Complete at least 4 Simulated (Weighted Mock) Exams prior to class. Review your answers and rationales. Also, review your LEM as needed.

Additional Study Tools

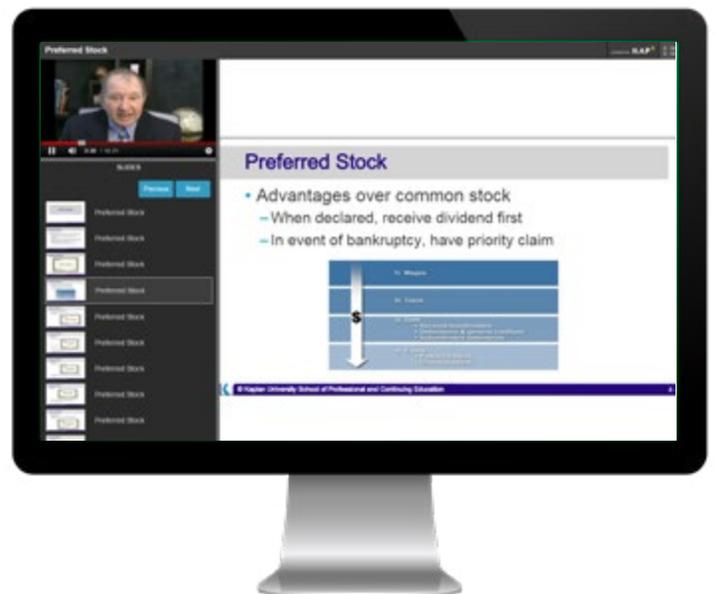
Video Library

This optional video review tool consists of instructor-led reviews of core concepts and test topics. It is designed to provide additional clarification on topics you may be having difficulty understanding. Review the videos as many times as necessary.

Exam Tips & Content Updates

Kaplan will post important or new information here, including:

- Current changes in rules and regulations
- Exam tips and study strategies
- A detailed listing of changes to new editions



Instructor-Led Training and InstructorLink™

Kaplan offers Live Online and OnDemand classes, as well as a unique combination of online instructional resources and interactive support tools designed to help you pass your exam.

Study Calendar

This online calendar helps you create an exam-specific study plan around your schedule and study preferences.

Comprehensive Class Notes

Our Class Notes book allows you to follow the content presented during class and take notes on the presentations.

Corrections

Stay abreast of corrections made between new editions.

If you have any content questions along the way, just send us an email through InstructorLink, located on your homepage. We are here to help!

In the event you need to contact our support or service teams:

Call: **800.527.9983**

Email Technical Support: **kfeducation@kaplan.com**

Email Customer Service: **ContactUs@kaplan.com**

Good luck, and thank you for choosing Kaplan!

