Series 63 Best Practices

Kaplan Financial Education is proud to bring you our Best Practices Guide, created to help you pass your Series 63 securities licensing exam. We have prepared this important information to help you get a head start on your objective—passing your Uniform Securities State Law Exam.
Overview

Uniform Securities State Law Exam
This license is required by most states in order to sell securities within the state.

Exam Stats:
• Study time: 40–60 hours; 2–3 weeks
• Consists of 60 multiple-choice questions, plus an additional 5 “pre-test” questions that are not scored or identified
• Testing time: 1 hour, 15 minutes
• Passing score: 72% or above (43/60)

Some units that may pose a greater challenge for students:
• Unit 1: Regulation of Persons
• Unit 4: Ethical Practices and Fiduciary Obligations

Pay special attention to the Test Topic Alerts discussed in the units of our License Exam Manual (LEM).

Some Words of Advice
• Do not become too overwhelmed or bogged down in any one unit. You don’t want to lose sight of the finish line because you’re having trouble with one hurdle. Keep moving forward. It’s a steady pace that wins the race.
• After completing all units, concentrate on comprehensive exams covering all the material. Plan to spend at least one week testing prior to a scheduled class.
• You should complete at least 5 Simulated (Weighted Mock) Exams prior to class. Review your answers and rationales. Also, review your LEM as needed.
• Smaller exams can be built by selecting the Custom Quiz button in your QBank.

We want you to pass your securities exam the first time!
Primary Study Tools

**License Exam Manual (LEM)**
This comprehensive textbook covers all aspects of your exam. Short, focused paragraphs with numerous case studies and quick quizzes that will help you learn faster and retain critical information.

**SecuritiesPro™ QBank**
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.

**Simulated (Weighted Mock) Exams**
These weighted exams contain questions pulled from the QBank to help condition you for your exam. The exams allow a review of answers and rationales and may be created an unlimited number of times.

**Practice Exam**
Designed to be a measurement tool, the Practice Exam provides a valuable means of evaluating your preparedness for passing the exam on the first try. This exam may only be taken once. There are no answers or rationales provided, although you are given a diagnostic report of your results.

**Mastery Exam**
Designed to be a final measurement tool, the Mastery Exam provides a valuable means of evaluating your preparedness for passing the exam on the first try. This exam may only be taken once. There are no answers or rationales provided, although you are given a diagnostic report of your results.

**Instructor-Led Training and InstructorLink™**
Kaplan offers OnDemand classes, as well as a unique combination of online instructional resources and interactive support tools designed to help you pass your exam.

Additional Study Tools

**Study Calendar**
This online calendar helps you create a series-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 of the presentation.

**Video Library**
This video review tool consists of instructor-led reviews of core concepts and test topics. These sessions can be viewed anytime, anywhere, and as frequently as you like.

**Exam Tips & Content Updates**
When rules and regulations change, or we want to share new information regarding your exam, it will be posted here.

**Corrections**
Stay abreast of corrections made between new editions.

Next, we will take a closer look at some of your resources and how to approach your studies. Your first step is to read the Introduction found in your License Exam Manual. Many candidates skip this very important part of the process and, as a result, must work harder than those that take the time to read it!
License Exam Manual (LEM)

The introduction found in your License Exam Manual will review the specifics of your exam.

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

Now you can really get studying!

- Read the LEM one unit at a time, thoroughly. Plan on spending 3–4 hours per unit to read and comprehend the LEM.
- Pay special attention to the Test Topic Alerts and Take Notes; this is where we identify information that is very likely to show up on your exam!
- Complete each Quick Quiz and Unit Test, reviewing the answers and rationales.
- The rationales of questions are provided to reinforce your comprehension of the material.

**Series 63 Introduction**

Thank you for choosing this exam preparation system for your educational needs and welcome to the Series 63 License Exam Manual. This manual has been developed following principles to give you the guidance you need to navigate your exam on the first try.

Some of these principles include:
- An interactive design that integrates content with questions to increase retention.
- Interactive features designed to deepen your understanding.

**Why Do I Need to Pass the Series 63 Exam?**

State securities law requires every individual to pass a qualification exam to become registered with an intermediary. Most states require individuals to pass the Series 63 exam as a condition of state registration.

**Are There Any Prerequisites?**

Although there are no prerequisites for Series 63, some states require an investor to pass a FINRA exam, which is a prerequisite exam in addition to the Series 63 before an individual can become registered with a state. You may take either exam first (see requirements linking to FINRA exam test); but must complete both sections before you are fully licensed.

**What Is the Series 63 Exam Like?**

The Uniform Securities Agent State Exam is composed of 65 multiple-choice questions. The questions are prepared by NASAA, the North American Securities Administrators Association. Applicants are allowed 3.5 hours to complete the test. Of the 65 questions on the exam, at least 50 must be answered correctly to pass. Questions may appear anywhere in the exam and are not identified.

**What Score Must I Achieve to Pass?**

You need a score of at least 72% (49 of 65 correct) on the Series 63 exam to pass and become eligible for registration as a Securities Agent.
Video Library

This optional study tool is designed to provide additional clarification on securities topics you may be having difficulty understanding.

• Included in the Essential and Premium packages.
• Review the videos as many times as necessary to understand the more challenging concepts.

Exam Tips & Content Updates

It is very important to monitor this site! It includes:

• Current changes in rules and regulations
• Exam tips and study strategies
• A detailed listing of changes to new editions
SecuritiesPro™ QBank

This may be the most important tool you have other than the LEM. Learning how to apply your knowledge to the questions you will see is critical to your success! Don’t get discouraged if you don’t score well right from the start. Scores in the mid-to-high 60s are good initially. Your scores will improve as you continue your studies.

- Build a minimum of two 40-question QBank exams for each unit. Periodically build 100-question comprehensive exams on the material studied. (Example: Units 1-2, 1-3)
- Do not take short, repetitive unit exams, as this will lead to memorization versus comprehension. Exams are recommended to be at least 40 questions on each unit; build to more comprehensive exams.
- 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.
- View rationales after each question initially and spend time studying each rationale in order to learn the concepts. Later, you will want to practice exam scenarios in which rationales are viewed at the end of each exam.

Remediation Tips
- Be sure to review each exam after completion. Spend time reviewing questions you missed and review the rationale to gain a better understanding of any mistakes. Use the reference number to locate additional information on the test topic in your LEM if needed.
- Open your Performance Tracker report and review any topics in the LEM and Video Library you feel you may not understand or are not scoring well on.
- Create additional tests as needed until you feel comfortable with the material, but avoid repetitive testing, which leads to memorization versus comprehension.
Practice and Mastery Exams

These exams are designed to closely replicate the true exam experience, both in terms of the degree of difficulty and topical coverage. Validated as a test of preparedness, the Practice and Mastery Exams may be taken just once each. They provide scores and diagnostic feedback, but do not give answer explanations.

The Practice and Mastery Exams are sound indicators of potential actual exam scores—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. Complete the Practice Exam after reading the LEM and prior to class.
3. 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.
4. Within the next week:
   - 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 exam within 3–10 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 or OnDemand 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.
**QBank Guide** step 1

**Online QBank Review Questions:** This robust, interactive database lets you test yourself with practice questions and solutions. After you've completed each unit in the LEM, go to the online QBank to test your knowledge and practice answering exam questions for that specific unit. To begin taking QBank exams, make each exam manageable by setting up approximately 40 questions.

To access the QBank:
- Log in using your Kaplan Username and Password.
- Click on **Series 63** to access your course dashboard.
- Then click on **SecuritiesPro™ QBank** in the practice section of your dashboard.
QBank Guide step 2

When you enter the QBank, you will have three options: Custom Quiz, Simulate Exam, or Access Offline. You will also be able to review previous exams taken, continue a current exam, or print them out from this page.

To create a new exam, click the Custom Quiz button.

To simulate an exam, click the Simulate Exam button. This option is designed to replicate your actual exam and should be taken after completing all course work. Your study calendar will indicate when to complete this exam.
QBank Guide  step 3

In the Custom Quiz option, each quiz is automatically named for you, but you do have the ability to rename each one if you prefer. We recommend clearly naming each quiz you take so you can keep track of your progress. Example: Unit 1 Practice Test.

To build your quiz, click the topic areas you would like to be tested on.
You can take individual topic, unit, or comprehensive practice tests as many times as you want. If you would like to include every topic in your quiz, click the All Questions box.
We recommend taking QBank exams after completing each unit in your LEM. Include questions in your exams that are specific to the unit you just completed.
QBank Guide step 4

Choose the topics you would like included in your exam and then scroll down to select additional options below:

Recommendations:

Do not limit the question pool. Check All to include all questions in your exam.

Select 40 questions per exam initially.

Keep Show Score As You Go unchecked. Select Show Answer Explanations.

Remediation Tips

- We recommend showing answer explanations after each question and spending time reading each explanation to ensure you comprehend the material versus memorizing the correct answer.

Select Launch Quiz to start your quiz, Save Quiz to save it for later, or Print Quiz to print it out.
The Answer Explanation selection provides a rationale after each answer.

**Note:** If you need more information, reference codes for the LEM are provided.

- **Remediation Tip**
  - As you read each rationale, take notes regarding topics you should review in the LEM or Video Library.
Practice test results can be reviewed immediately upon completion of an exam. There is also a detailed view per question.
Test-Taking Tips

Read the Full Question
You cannot expect to answer a question correctly if you do not know what it is asking. Be sure to read the full question before answering it—questions are often written to trap people who assume too much.

Avoid Jumping to Conclusions and Watch for Hedge Clauses
Watch out for hedge clauses embedded in the question. 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. If you ignore the qualifier, you will likely not answer correctly.

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. Take time to identify the key words to answer this type of question correctly.

Interpret the Unfamiliar Question
Do not be surprised if some questions on the exam seem unfamiliar at first. If you have studied your material, you will have the information to answer all of the questions correctly. Very often, questions present information indirectly. You may have to interpret the meaning of certain elements before you can answer the question. Be aware that the exam will approach a concept from different angles.

Memorize Key Points
Reasoning and logic will help you answer many questions, but you will have to memorize a good deal of information.

Use Information from Prior Questions
Pay attention to all the questions! Sometimes, information found in one question will help you answer a different question.

Define What is Being Asked
Many questions supply so much information that you lose track of what is being asked. This 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. Of course, your ability to do so assumes you have studied sufficiently. There is no good method for correctly answering questions if you don’t know the material.

Beware of Changing Answers
If you are unsure of an answer, your first hunch is the one most likely to be correct. Do not change answers on the exam without good reason. In general, change an answer only if you discover that you did not read the question correctly, or if you find new or additional helpful information in another question.

Pace Yourself
Some people will finish the exam early, while some will not have time to finish. Watch the time carefully (your time remaining will be displayed on your computer screen) and pace yourself throughout the exam.

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

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

- Call 888.394.2086
- Email Technical Support: kfeducation@kaplan.com
- Email Customer Service: ContactUS@kaplan.com

Good luck, and thank you for choosing Kaplan!