

LESSON 1 QUIZ
FORMULAS SUPPORT AND RESISTANCE
FOR SHORT-TERM TRADING

1. What is the formula for Support 1 (S₁)?

$$S_1 = C - (H-L)/2$$

2. What is the formula for Support 2 (S₂)?

$$S_2 = (PP \times 2) - H$$

3. What is the formula for Resistance 1 (R₁)?

$$R_1 = (H-L)/2 + C$$

4. What is the formula for Resistance 2 (R₂)?

$$R_2 = (PP \times 2) - L$$

5. Define the “Support Zone” used in this lesson. Define the “Resistance Zone.”

$$\text{Support Zone} = S_1 - S_2$$

$$\text{Resistance Zone} = R_1 - R_2$$

6. A market has a weekly low of 75.26, a high of 77.91, and a close of 77.25. What is the support and resistance zone of this market for the next week?

$$PP = 75.26 + 77.91 + 77.25 = 76.81$$

$$S_1 = 77.25 - (77.91 - 75.26) = 75.93$$

$$S_2 = (76.81 \times 2) - 77.91 = 75.71$$

$$75.71-75.93$$

$$R_1 = (77.91 - 75.26) + 77.25 = 78.58$$

$$R_2 = (76.81 \times 2) - 75.26 = 78.36$$

$$78.36-78.58$$

LESSON 2-4 QUIZ
TERMINOLOGY FOR SUPPORT-RESISTANCE
IN SHORT-TERM TRADING

1. In MMA terminology, what constitutes a bullish close? A bearish close? A neutral close?

Bullish = close above resistance

Bearish = close below support

Neutral = close between resistance and support with the high below resistance and low above support

2. In MMA terminology, what constitutes a “very bullish” close? A “very bearish” close?

Very bullish = trade below support and close above resistance

Very bearish = trade above resistance and close below support

3. In MMA terminology, what constitutes a “mostly bullish” close? A “mostly bearish” close?

Mostly bullish = close into resistance

Mostly bearish = close into support

4. In MMA terminology, what constitutes a “bullish trigger” close? A “bearish trigger” close?

Bullish trigger = trade below support and close back above it

Bearish trigger = trade above resistance and close back below it

5. In MMA terminology, what constitutes a “bullish bias” close? A “bearish bias” close?

Bullish bias = trade into support and close back above it

Bearish bias = trade into resistance and close back below it

6. In MMA terminology, what constitutes a “mixed” daily activity?

Mixed = trade above resistance and below support and closing in between

7. In MMA terminology, what type of market activity constitutes a “bullish sequence?” A “bearish sequence?”

Bullish sequence = a close above resistance following a bullish trigger or bullish bias

Bearish sequence = a close below support following a bearish trigger or bearish bias

8. In MMA terminology, what type of market activity would create a ‘bullish crossover zone?’ A ‘bearish crossover zone?’

Bullish crossover zone = when support is above or overlaps prior period’s resistance

Bearish crossover zone = when resistance is above or overlaps prior period’s support

9. Is a bullish crossover zone a support or resistance zone? What does it become when it is broken?

Bullish crossover zone is support and once broken becomes resistance

10. Is a bearish crossover zone a support or resistance zone? What does it become when it is broken?

Bearish crossover zone is resistance and once broken becomes support

11. What type of market action makes for an excellent day trading session?

Mixed day

12. From the table below of daily high, low and closing prices, identify any instances of bullish or bearish crossover zones. Also, identify the type of close the market did each day, and any day in which the daily TIP fell within a daily support or resistance zone.

Day	H	L	C	PP	TIP	S ₁	S ₂	R ₁	R ₂
1	63.20	62.25	63.20						
2	66.25	65.50	65.40	62.88		62.73	62.56	63.68	63.51
3	66.18	65.23	65.95	65.72		65.03	65.19	65.78	65.94
4	66.21	65.52	65.82	65.79	64.80	65.48	65.40	66.43	66.35
5	65.64	64.20	64.25	65.85	65.79	65.48	65.49	66.17	66.18
6	65.15	63.95	64.68	64.70	65.45	63.53	63.76	64.97	65.20
7	65.30	63.10	63.20	64.59	65.05	64.08	64.03	65.28	65.23
8	63.45	62.80	63.15	63.87	64.39	62.10	62.44	64.30	64.64
9	65.50	62.20	65.45	63.13	63.86	62.83	62.81	63.48	63.46
10	67.20	66.00	66.90	64.38	63.79	63.26	63.80	67.10	66.56
			66.70		64.74	66.30	66.20	67.50	67.40

LESSON 6 QUIZ

TREND ANALYSIS FOR INVESTORS

1. What are the two types trend analysis used in MMTA?

Basic trend indicator and moving average studies

2. In which phase of a cycle is the trend usually bullish?

First

3. At what point does a cycle's trend turn bearish?

End, or if it trades below the start of the cycle

4. What determines when the Basic Trend Indicator is bullish for an investor?

Higher-highs and higher-lows

5. What determines when the Basic Trend Indicator is bearish for an investor?

Lower-lows and lower-highs

6. What determines when the Basic Trend Indicator is neutral for an investor?

Higher-lows and lower-highs or Lower-lows and higher-highs

7. What determines when the Moving Averages Trend Indicator is bullish for an investor?

Price above both moving averages, shorter MA above the longer MA

8. What determines when the Moving Averages Trend Indicator is bearish for an investor?

Price below both moving averages, shorter MA is below longer MA

9. What are the other possible trend statuses based on the Moving Averages Trend Indicator?

Neutral Price Below, Neutral Price Above, Bullish/Neutral Upgrade, Bullish/Neutral Downgrade, Bearish/Neutral Downgrade, Bearish/Neutral Upgrade

10. What moving averages are suggested to be used by an investor for U.S. stocks? Why?

23-month and 36-month, because they are half the length of the 46-month and 6-year cycles

QUIZ FOR LESSON 7

TREND ANALYSIS FOR INTERMEDIATE-TERM INVESTORS

1. What is an intermediate-term investor? How do we define this in terms of cycles analysis?

Someone who trades/invests with 4-to-6-year cycles. Longer than primary cycle, shorter than 4-year cycle. Investors who wish to sidestep a 10-20% reversal

2. How are intermediate-term cycles useful to long-term investors?

Can help avoid significant corrections.

3. How do you determine which moving averages to use for an intermediate-term investor?

Half (or 1/3) the length of 46-month and 6-year cycles, so 23- and 36 months. For 23-month cycle, we use 50-week MA. For 15-month, 34-week MA

4. Assume the intermediate-term moving averages study turns bearish, but the market is in the time band for a longer-term cycle. As an analyst or intermediate-term investor, what is your strategy?

Consider going long