

## **Classroom Session 2: The building blocks Part 2 – Homework**

**Please complete this homework prior to the next class in the course. We will review the answers and the project assigned at the beginning of the next class.**

1. When support is broken, it becomes?
  - a. Double Support
  - b. Broken Arrow
  - c. Stochastic
  - d. Resistance
2. True/False Support and Resistance can only be drawn horizontally?
3. Which of the following Simple Moving Average will react fastest?
  - a. 20 Day
  - b. 50 Day
  - c. 100 Day
  - d. 200 Day
4. Breakouts can occur in which direction?
  - a. Up
  - b. Down
  - c. Up or Down
5. Which of the follow are used as filters for breakouts?
  - a. Price passes close
  - b. Multiple days above close
  - c. Percent above close
  - d. All of the above
6. Which of the following are required with trend trading?
  - a. An entry strategy
  - b. An exit strategy
  - c. An assessment of capital risk
  - d. All of the above
7. True or false, technical analysis attempts to predict the future.

- Project:
1. Find a stock or ETF and draw support and resistance lines.
    - a. Use Recognia Technical Analysis and add their “Support and Resistance” to the chart
    - b. Adjust the settings to see the three time frames available
    - c. Compare those support and resistance lines with the ones you’ve drawn
  2. Find a stock or ETF and identify a breakout.

Technical analysis focuses on market action — specifically, volume and price. Technical analysis is only one approach to analyzing stocks. When considering which stocks to buy or sell, you should use the approach that you're most comfortable with. As with all your investments, you must make your own determination as to whether an investment in any particular security or securities is right for you based on your investment objectives, risk tolerance, and financial situation. Past performance is no guarantee of future results.

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