

# SIE Exam Cheat Sheet Overview

This cheat sheet condenses the blog's key SIE exam content into quick-reference tables, formulas, and mnemonics for efficient study.

## Formulas and Calculations

Topic	Formula	Quick Example
Dividend Yield	$\text{Annual Dividend} \div \text{Stock Price}$	$\$2 \div \$50 = 4\%$
Current Yield (Bond)	$\text{Annual Coupon} \div \text{Market Price}$	$\$50 \div \$950 \approx 5.26\%$
Call Option Payoff	$\max(0, \text{Stock Price} - \text{Strike Price})$	Stock \$60, Strike \$50 → \$10
Put Option Payoff	$\max(0, \text{Strike Price} - \text{Stock Price})$	Stock \$40, Strike \$50 → \$10

## Key Terms and Definitions

Term	Quick Definition
Stock	Ownership in a company
Bond	Debt investment that pays
ETF	Basket of securities, trades like a
Mutual Fund	Pool of investments managed by
Call Option	Right to buy a stock at a set price
Put Option	Right to sell a stock at a set price

**Mnemonic:** BOMOS → Bonds, Options, Mutual funds, OTC stocks, Securities

## Trading Orders

Order Type	Quick Definition	Example
Market	Buy/sell immediately	Buy 100 shares now
Limit	Buy/sell at a set price or better	Buy at \$50 max
Stop	Triggers when stock hits price	Sell if stock drops to \$45
Stop-Limit	Stop triggers a limit order	Sell at \$45 but not below \$44
Margin Account	Borrow money to trade	Initial 50%, Maintenance 25%
Short Selling	Sell borrowed shares, buy back later	Bet stock price will fall

## Regulators and Protections

Regulator	Role	Quick Tip
FINRA	Oversees brokers	Who regulates brokers?
SEC	Enforces securities law	Anti-fraud and fair trading
MSRB	Municipal bond regulation	Only applies to municipal bonds
SIPC	Investor protection	\$500k coverage, \$250k cash

**Key Rules:** Suitability (fit client needs), Insider Trading (illegal non-public info use), AML (monitor suspicious activity).

## Risks and Investments

Concept	Quick Definition	Example
Systematic Risk	Market-wide, cannot diversify	Recession affects all stocks
Unsystematic Risk	Company-specific	CEO resigns, stock drops
Diversification	Reduces unsystematic risk	Hold 20 different stocks

**Metrics:** Beta (risk vs market), Sharpe Ratio (return vs risk), Standard Deviation (volatility).

**Visual:** Diversification ↓ Unsystematic Risk.

**Mnemonic:** SUD → Systematic, Unsystematic, Diversification.

## Economic Indicators

Indicator	Impact
GDP	Higher = economic growth, bullish
Inflation	Higher = erodes purchasing power
Interest Rates	Higher = hurts bonds/stocks
Unemployment	Higher = recession signal

## Customer Accounts and Compliance

**Types:** Cash, Margin, Custodial, Retirement (IRA).

**KYC:** Know Your Customer requirements.

**AML:** Anti-Money Laundering basics.

**SIPC:** \$500k total, \$250k cash.

**Mnemonic:** DRIP → Dividends, Reinvestment, Income, Portfolio.

### Study Integration Tips

**Daily:** 5-min review to start sessions; active recall (cover/test).

**Weekly:** Update after practice tests.

#### Plan (4-6 Weeks):

Week	Focus
1	Securities basics
2	Trading & orders
3	Regulations
4	Risks & indicators
5	Accounts & review
6	Practice exams

## Helpful links:

<https://techcertguide.com/blog/finra-sie-cheat-sheet/>

<https://techcertguide.com/blog/sie-vs-series-7/>

<https://techcertguide.com/blog/is-the-sie-exam-hard/>

<https://techcertguide.com/blog/how-long-does-it-take-to-study-for-the-sie-exam/>

<https://techcertguide.com/blog/finra-sie-study-guide/>