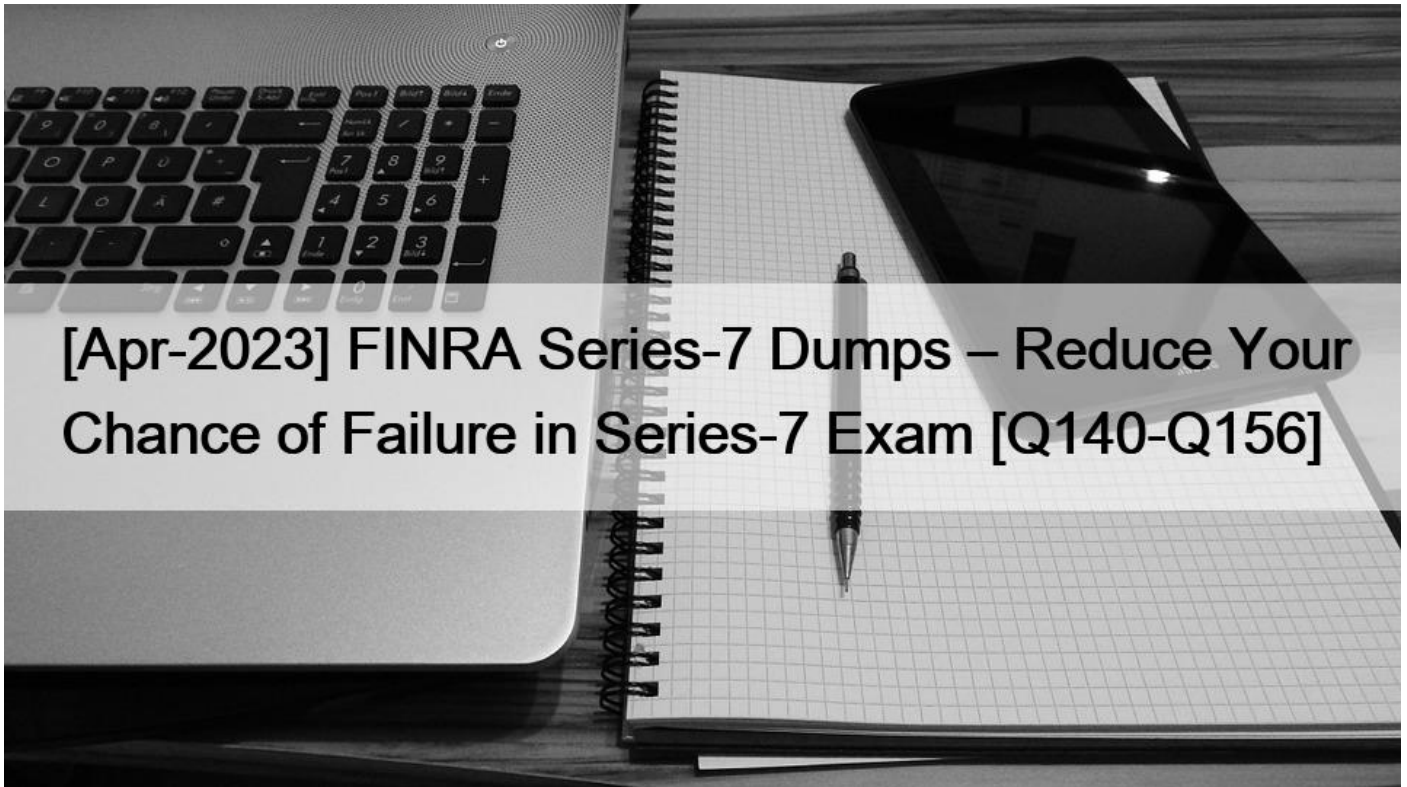


## [Apr-2023 FINRA Series-7 Dumps ? Reduce Your Chance of Failure in Series-7 Exam [Q140-Q156]



**[Apr-2023 FINRA Series-7 Dumps &ndash; Reduce Your Chance of Failure in Series-7 Exam To help you achieve your ultimate goal, we suggest the actual FINRA Series-7 dumps for your General Securities Representative Qualification Examination (GS) exam preparation to use as your guideline. NO.140** Distribution from an IRA can begin at age 59½ and must begin by age:

- \* 70½
- \* 65
- \* 68
- \* whenever the individual is retired

Explanation/Reference:

Explanation: 70½. This the age at which IRA withdrawals are required.

**NO.141** A corporation makes a rights offering to raise \$10 million of new capital by issuing one million shares of common stock. If it already has six million shares outstanding at the time of the offering.

How many rights will the corporation distribute to its shareholders?

- \* one million
- \* six million
- \* ten million
- \* sixteen million

six million. One right for each outstanding share is distributed.

**NO.142** What is the maximum amount of gift to customers or other individuals related to the securities business that a registered representative is permitted to give?

- \* \$500
- \* \$200
- \* \$100
- \* \$50

\$100. This is the maximum per FINRA rules.

**NO.143** Bubba purchases 100 shares of XYZ at 78 and, on the same day, writes 1 XYZ October 80 call for a premium of 4. If the option expires unexercised, what is Bubba's profit on the 100 shares of stock?

- \* \$200
- \* \$400
- \* \$600
- \* cannot be determined

Explanation/Reference:

Explanation: cannot be determined. Since Bubba has not yet sold the stock, a profit cannot be determined on the stock. He has a \$400 profit on the option.

**NO.144** Bubba Corporation has a registered public offering of 500,000 shares at \$36. Of these, 300,000 shares were authorized by unissued and 200,000 shares were sold on behalf of an affiliated person.

What is evident from this information?

- \* the entire proceeds of the offering are a primary offering accruing to the corporation
- \* 300,000 shares are identified as a primary distribution
- \* 60% of the proceeds are paid to the corporation and the balance accrues to the affiliated person
- \* both B and C

Explanation/Reference:

Explanation: both B and C.

The 200,000 shares are sold on behalf of the affiliated person so the proceeds go to that individual. Only the other 300,000 shares are a primary offering.

**NO.145** Which of the following does not affect the public offering price of a new issue?

- \* anticipated earnings of the issuer in the next year
- \* dividend projections for the next year
- \* the book value of the issuer
- \* the selling group's determination of value in the prevailing market conditions

Explanation/Reference:

Explanation: the selling group's determination of value in the prevailing market conditions. The offering price is determined by factors related to the issuer.

**NO.146** Big Easy Investment Banking, Inc., is participating in an Eastern account underwriting of \$10 million of municipal bonds by agreeing to underwrite 10% of the issue. One week later, \$4 million remains unsold but Big Easy has distributed \$1.5 million of bonds.

What is the liability of Big Easy remaining in the account?

- \* \$0
- \* \$400,000
- \* \$600,000
- \* \$1,000,000

Explanation/Reference:

Explanation: \$400,000. In an Eastern account, liability remains open until the entire syndication is closed.

Therefore, Big Easy has a liability for 10% of the unsold portion. Since the unsold portion is \$6 million, the liability for Big Easy is 10% of that amount, which is \$400,000.

**NO.147** A bank or trust company that is acting as custodian for a mutual fund does which of the following?

- \* guarantees investor losses on investments
- \* provides investment advice to the fund's managers
- \* redeem and issues fund shares
- \* physically protects the fund's assets

Explanation/Reference:

Explanation: physically protects the fund's assets. The custodian holds the assets of the fund. The transfer agent redeems and issues fund shares.

**NO.148** The Bubba Corporation has 900,000 of common outstanding and holds 100,000 shares as treasury stock. At the end of the third quarter \$450,000 is distributed as a dividend on the common.

How much is the dividend per share?

- \* \$0.45
- \* \$0.50
- \* \$2.00
- \* \$2.22

\$0.45. Since treasury stock does not receive dividends, divide \$450,000 by the outstanding 100,000 shares to arrive at \$0.45 per share.

**NO.149** When a corporation issues a nonconvertible debenture, what is the effect upon its net worth?

- \* it increases
- \* it decreases
- \* it is unchanged
- \* none of the above

Explanation/Reference:

Explanation: it is unchanged. The debentures add to liabilities and to cash (an asset) received from the sale. There is no effect on net worth.

**NO.150** CMOs are sold and priced based upon which of the following:

- \* expected average life
- \* stated maturity
- \* current yield
- \* par value

expected average life. The average life of a CMO is the length of time that each dollar of invested principal is expected to remain outstanding. Pricing of CMOs is based upon this factor.

**NO.151** Which of the following securities has the highest amount of market risk?

- \* US treasury bills
- \* US treasury certificates
- \* US treasury notes
- \* savings bank deposits

US treasury notes. Savings bank deposits have no risk. The short duration of treasury bills and certificates embodies less market risk than longer-term treasury notes.

**NO.152** Who owns a corporation?

- \* the owners of debentures
- \* the holders of common stock
- \* the holders of common stock and the holders of preferred stock
- \* the government

Explanation/Reference:

Explanation: the holders of common stock and the holders of preferred stock. The holders of all classes of stock are the owners. Each stock class has separate privileges, but all represent ownership. Even if the government is an owner, it holds shares of stock.

**NO.153** Under the Investment Company Act of 1940, what is the minimum net worth of a registered investment company?

- \* \$100,000
- \* \$50,000
- \* \$25,000
- \* \$5,000

Explanation/Reference:

Explanation: \$100,000. This was a considerable amount of money in 1940.

**NO.154** In which of the following situations may exemption from compliance with Regulation T be granted?

- \* a broker/dealer who does not offer margin accounts
- \* a broker/dealer conducts business only in registered securities
- \* a broker/dealer transacting less than 10% of its business through a member of a securities exchange
- \* none of the above

Explanation/Reference:

Explanation: none of the above. No broker/dealer is exempt. Reg T covers cash accounts as well as margin accounts.

**NO.155** Which of the following does not describe an underwriting procedure?

- \* best efforts
- \* all or none
- \* standby
- \* fill or kill

Explanation/Reference:

Explanation: fill or kill. Fill or kill is an order qualifier. It requests immediate execution of the whole order or immediate cancellation. A best efforts underwriting, frequently linked to all or none, is usually seen on small new issues. A standby underwriting is utilized to guarantee the success of a rights offering.

**NO.156** Bubba buys a US treasury bond. The interest he earns is:

- \* subject to federal and state income tax
- \* exempt from federal and state income tax

- \* subject to state income tax but exempt from federal income tax
- \* subject to federal income tax but exempt from state income tax

Explanation/Reference:

Explanation: subject to federal income tax but exempt from state income tax. The interest on US government securities is taxed by the US government but not by state governments. The opposite is true of bonds issued by a state, which are exempt from federal tax but subject to state taxes -except for taxes of the state that issues them.

**Accurate & Verified Answers As Seen in the Real Exam here:**

<https://www.examcollectionpass.com/FINRA/Series-7-practice-exam-dumps.html>