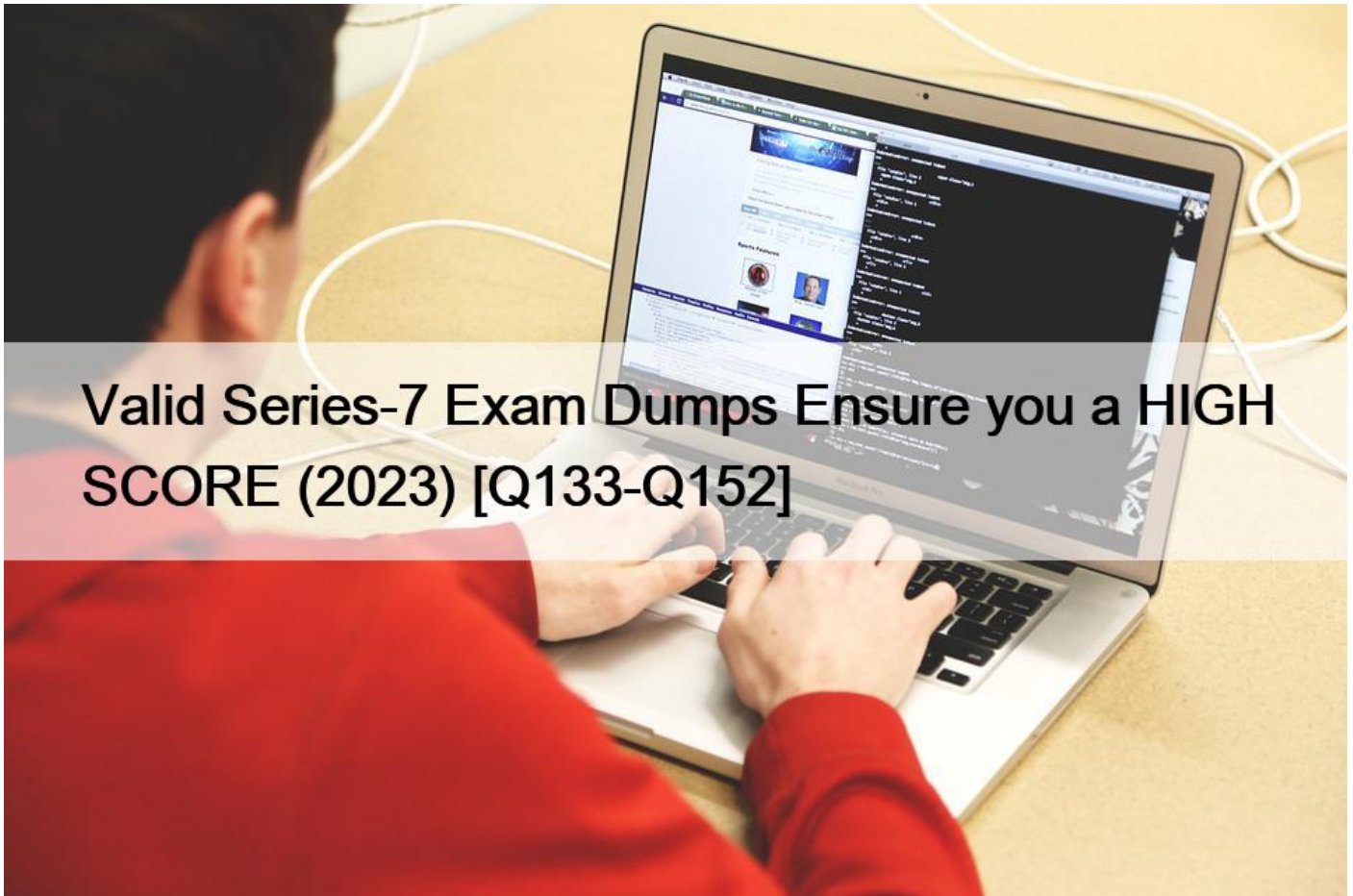


Valid Series-7 Exam Dumps Ensure you a HIGH SCORE (2023) [Q133-Q152]



Valid Series-7 Exam Dumps Ensure you a HIGH SCORE (2023) Pass Series-7 Exam with Latest Questions NO.133 Bubba buys a 5% bond that matures in 15 years with a 5.10 basis. How much did he pay for the bond?

- * 5.00
- * 98.96
- * 100.00
- * 105.10

98.96. A calculator is not required for this. Even Bubba knows the bond is obviously trading at a slight discount by yielding 5.10% instead of the coupon rate of 5%. If the yield was the same as the coupon rate, the price is 100.00.

NO.134 Which of the following is not in the subscription agreement for a limited partnership offering?

- * identification of the limited partners
- * qualification of the limited partners for the subscription
- * granting of power of attorney to the limited partners
- * a record of sales of the partnership interests

granting of power of attorney to the limited partners. The other three choices are in the subscription agreement. Power of attorney is granted to the general partner, not the limited partners.

NO.135 Which of the following statements is not true about exchange traded options?

- * they are adjusted for stock dividends
- * they are adjusted for stock splits
- * they are adjusted for cash dividends
- * they are adjusted for reverse splits

Explanation/Reference:

Explanation: they are adjusted for cash dividends. This is the statement that is not true.

NO.136 Which of the following is a benefit of Section 8 low-income housing partnerships?

- * high, reliable income
- * large deductions
- * potential for capital appreciation
- * low risk

Explanation/Reference:

Explanation: low risk. The low risk is a consequence of the government guarantee or subsidy.

NO.137 What percentage load is associated with a mutual fund quoted 16.60-18.04?

- * 8.7%
- * 9%
- * 8%
- * cannot be determined from this information

8%. The sales charge in this case is \$1.44. Dividing that into the offering price of \$18.04 results in 8%.

NO.138 Which of the following is considered a firm quotation in the over-the-counter market?

- * 27.50
- * 27.50 workout
- * 27.50 subject
- * both B and C

27.50. Anytime there is qualifying language attached to a quotation it is not considered firm.

NO.139 Municipal syndicate allocation procedures are described in which of the following?

- * underwriting agreement
- * syndicate account letter
- * agreement among the underwriters
- * official statement

syndicate account letter. This letter is sent by the manager of a competitive bid syndicate to the other members. The priority and other procedures, including allocation amounts, are specified in the letter. Members signify acceptance by signing the letter and returning it to the manager.

NO.140 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.

What is the subscription price per share?

- * \$4
- * \$6
- * \$7
- * \$10

\$10. There are one million shares divided into the \$10 million of new capital.

NO.141 Bubba buys one XYZ November 65 call at \$3 and one XYZ November 65 put at \$2. XYZ is trading at \$72.

The put expires and the call is closed at its intrinsic value.

What is the resulting profit?

- * \$200
- * \$300
- * \$500
- * \$700

Explanation/Reference:

Explanation: \$200. Since XYZ is trading at 72, a November 65 call has an intrinsic value of \$700. A sale at that value compared to the cost of \$300 is a profit of \$400. Subtract the loss of \$200 on the expired put to obtain the profit of \$200.

NO.142 The FINRA markup policy requires that over-the-counter transactions with a customer be at:

- * prices reasonably related to the current market price of the security
- * a markup not to exceed 5% of the current offering price
- * prices reasonably related to the dealer's cost
- * a markup based on previous activity in the customer's account

Explanation/Reference:

Explanation: prices reasonably related to the current market price of the security. All markups must be based upon the current market rather than the dealer's cost.

NO.143 A large manufacturing company has current assets of approximately \$9,400,000 and current liabilities of about \$4,900,000.

Which of the following statements is true about the current ratio?

- * it is substantially below the standard minimum
- * it is somewhat below the standard minimum
- * it is about the standard minimum
- * it is somewhat above the standard minimum

Explanation/Reference:

Explanation: it is somewhat below the standard minimum. The standard minimum current ratio for a manufacturing company is 2 to 1. The current ratio for this company is 1.92 (9,400,000 divided by 4,900,000).

NO.144 The price an investor pays for a listed option is called the

- * strike price
- * spread
- * premium
- * exercise price

premium. That's the term for the option cost.

NO.145 Revenue bonds are least likely to provide constructions funds for:

- * a toll highway
- * an airport
- * a public school
- * a pollution control facility

a public school. Schools are typically financed by general obligation bonds. The other choices are examples of revenue bonds.

NO.146 A provision under which an underwriter can cancel a proposed public offering due to some unforeseen occurrence is known as a:

- * blue sky provision
- * contra-market clause
- * fill or kill provision
- * market-out clause

market-out clause. This is used only in the case of some unusual occurrence.

NO.147 How often must Investment companies issue financial statements to shareholders?

- * monthly
- * quarterly
- * semi-annually
- * annually

semi-annually. Investment companies are required to issue financial report semi-annually. Many do so more frequently.

NO.148 A treasury obligation having no fixed rate of interest with a thirty-day maturity due April 22 is most likely a:

- * treasury note
- * tax anticipation bill
- * Series H bond
- * Series EE bond

Explanation/Reference:

Explanation: tax anticipation bill. These obligations pay no interest and their maturity comes after corporate tax payment dates. They are accepted for redemption at face value prior to maturity on corporate tax payment dates to encourage purchase by corporations.

NO.149 What percentage load is associated with a mutual fund quoted 16.60-18.04?

- * 8.7%
- * 9%
- * 8%
- * cannot be determined from this information

Explanation/Reference:

Explanation: 8%. The sales charge in this case is \$1.44. Dividing that into the offering price of \$18.04 results in 8%.

NO.150 Bubba is age 54 and has investments in a retirement plan with his former employer valued at \$104,500. Bubba withdraws \$25,000 to open a retail clothing store.

Which of the following statements is true regarding Bubba's tax consequences?

- * the entire account is terminated and \$104,500 is immediately taxable
- * a penalty of 10% of the withdrawn amount is assessed
- * a penalty of 10% on all assets in Bubba's account is assessed
- * only regular income tax is due on the amount withdrawn

a penalty of 10% of the withdrawn is assessed. Bubba also owes regular income tax on the withdrawn amount in addition to the 10% penalty for early withdrawal.

NO.151 In June, Bubba bought 100 shares of XYZ at \$35. In November, he bought a listed put in XYZ with a \$35 strike price and a July expiration for a premium of \$600.

If Bubba sells the stock at \$45 in July, what is his resulting tax liability for that transaction?

- * no liability established until the offsetting option position is closed
- * a \$400 gain
- * a \$1,000 gain
- * a \$400 capital loss

Explanation/Reference:

Explanation: a \$1,000 gain. There is a \$1,000 gain on the stock. The option is a separate capital asset.

NO.152 Which of the following would not normally be a function of an investment banker?

- * providing short-term capital needs to client companies
- * underwriting new issues of securities
- * providing long-term capital needs to client companies
- * assisting in large secondary offerings of securities

Explanation/Reference:

Explanation: providing short-term capital needs to client companies. The short-term capital needs of companies are normally the function of commercial bankers, not investment bankers.

Series-7 Exam Practice Questions prepared by FINRA Professionals: <https://www.validexam.com/Series-7-latest-dumps.html>