



# FINRA-SERIES-7<sup>Q&As</sup>

FINRA General Securities Representative Examination (GS)

**Pass FINRA FINRA-SERIES-7 Exam with 100% Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.passapply.com/finra-series-7.html>

100% Passing Guarantee  
100% Money Back Assurance

Following Questions and Answers are all new published by FINRA  
Official Exam Center

-  **Instant Download** After Purchase
-  **100% Money Back** Guarantee
-  **365 Days** Free Update
-  **800,000+** Satisfied Customers





### QUESTION 1

Which of the following is not a characteristic of treasury bills?

- A. they are quoted on yield-to-maturity percentages
- B. their payments are exempt from state income tax
- C. the bid price is higher than the offer price
- D. they mature one to three years from the date of issuance

Correct Answer: D

they mature one to three years from the date of issuance. Remember the question asks what is "not" a characteristic of treasury bills. The other choices are aspects of treasury bills, which most commonly have maturities of 90 days but never longer than one year.

---

### QUESTION 2

Bubba owns 100 shares of XYZ at \$58. He needs to limit his loss to 5 points or less and will accept a longer time for the order to be executed, to make sure the loss does not exceed 5 points. Which of the following orders would be the best recommendation?

- A. sell limit order
- B. sell stop-limit order
- C. sell stop order
- D. buy stop order

Correct Answer: B

sell stop-limit order. A sell stop-limit order specifies a price, but will not turn into a market order. This order will only get executed at the price or better. Stop orders, although quicker in execution, will turn into market orders and the customer will not be guaranteed a specific price. Stop -limit orders are risky, in that the order may or may not get executed, but in this situation, it is the best choice.

---

### QUESTION 3

Smart Guys Securities Corporation has given a workable bid to Better Guys Securities Corporation. If market conditions change, Smart Guys may:

- A. not change the bid
- B. not change the bid unless first notifying the other dealer
- C. change the bid only with prior approval of the other dealer
- D. change the bid



Correct Answer: D

change the bid. A workable bid indicates a price level where a dealer is willing to negotiate business. It is not a firm bid and may be changed before becoming firm.

---

#### QUESTION 4

What is the importance of the "at risk" rule?

- A. it limits deductions to the amount at risk
- B. it limits liability to the amount at risk
- C. deductions for interest may not exceed investment income
- D. it prevents carry forward of disallowed interest deductions

Correct Answer: A

it limits deductions to the amount at risk. Deductions may not exceed contributed capital.

---

#### QUESTION 5

Which of the following situations is possible for a writer of a covered call option?

- A. buying the underlying stock if the call is exercised
- B. depositing margin into his account
- C. purchasing a put option to hedge against unlimited loss potential
- D. selling the security, he already owns

Correct Answer: D

selling the security he already owns. A "covered" call is written on stock already owned.

[FINRA-SERIES-7 VCE  
Dumps](#)

[FINRA-SERIES-7 Practice  
Test](#)

[FINRA-SERIES-7 Study  
Guide](#)