



FINRA-SERIES-7^{Q&As}

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 statements is not true about a letter of intent?

- A. the letter of intent has a maximum duration of 13 months
- B. a shareholder may not redeem any shares for 13 months
- C. a letter of intent may be backdated by 90 days
- D. a certain portion of shares purchased are held in escrow until the terms of the letter are met

Correct Answer: B

a shareholder may not redeem any shares for 13 months. Redemptions are permissible at any time. However, since escrowed shares are set aside to cover the difference in sales loads based on terms of the letter, redemptions prior to 13 months may liquidate the escrow account and thus return to the investor 100% of net asset value.

QUESTION 2

Which securities do not receive dividends?

- A. ADRs
- B. warrants
- C. common stock
- D. preferred stock

Correct Answer: B

warrants. All of the other choices receive dividends if they are declared. But only warrants are a specific security that never pays dividends.

QUESTION 3

With the Regulation T requirement at 50%, a firm wishes to impose house rules that require a minimum equity of 40%. Which of the following is true?

- A. this cannot be implemented because the level is below Reg T
- B. this cannot be implemented since maintenance requirements are only 25% of equity for long positions
- C. this is permissible
- D. this action must be approved by the FRB and FINRA

Correct Answer: C

this is permissible. Firms may establish house rules as long as they are at least as strict as the minimum maintenance



requirements. Reg T only dictates an initial requirement and does not address minimum equity.

QUESTION 4

Bubba buys one XYZ September 50 call at \$7 and sells one XYZ September 60 call at \$3. At that time, XYZ stock is at \$55. Bubba has no other stock positions. What is Bubba's maximum possible profit?

- A. \$500
- B. \$600
- C. \$1,000
- D. unlimited

Correct Answer: B

\$600. The maximum profit is the difference between strike prices less the debit amount. The debit amount is \$4 (\$7 - \$3). The difference between strike prices is \$10 (\$60 - \$50). Multiply the \$6 difference by 100, which is the number of shares on one option.

QUESTION 5

A trust instrument drawn pursuant to the Trust Indenture Act of 1939 sets forth which of the following?

- A. the rights of stockholders
- B. the duties of the trustee
- C. the obligations of the issuing corporation
- D. both B and C

Correct Answer: D

both B and C. A trust indenture does both of these but does not define the rights of stockholders.

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

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

[FINRA-SERIES-7 Exam
Questions](#)