

# Free Questions for Series-7 by actualtestdumps

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# **Question 1**

#### **Question Type:** MultipleChoice

Regulation T is set at 50%. Bubba's account contains long positions in the following securities with the prices listed:

100 ABC \$30

200 XYZ \$70

200 QBB \$40

200 KKK \$25

Total market value = \$30,000

Debit balance in the account = \$12,000

Net equity balance of the account = \$18,000

Bubba wants to buy 100 shares of DUM at \$30 per share and 100 shares of OUT at \$120. How much how much value of additional securities must Bubba deposit in lieu of depositing cash?

### **Options:**

- **A-** \$3,000
- **B-** \$6,000
- **C-** \$9,000
- **D-** \$15,000

#### **Answer:**

С

### **Explanation:**

\$9,000. Since the required cash to deposit is \$4,500 and Reg T is 50%, Bubba may deposit \$9,000 of securities.

# **Question 2**

**Question Type:** MultipleChoice

Regulation T is set at 50%. Bubba's account contains long positions in the following securities with the prices listed:

100 ABC \$30

200 XYZ \$70
200 QBB \$40
200 KKK \$25
Total market value = \$30,000
Debit balance in the account = \$12,000
Net equity balance of the account = \$18,000
Bubba wants to buy 100 shares of DUM at \$30 per share and 100 shares of OUT at \$120. How much additional money must be deposited?
Options:
<b>A-</b> \$6,000
<b>B-</b> \$7,000
C- \$4,500
<b>D-</b> \$1,500
Answer:
C

### **Explanation:**

\$4,500. The purchase of DUM will cost  $$3,000 (100 \times $30)$  and the purchase of OUT will cost  $$12,000 (100 \times $120)$ . Both combined total a cost of \$15,000. Reg T requires 50% (\$7,500) and Bubba only has \$3,000. So he is \$4,500 short.

# **Question 3**

### **Question Type:** MultipleChoice

Regulation T is set at 50%. Bubba's account contains long positions in the following securities with the prices listed:

100 ABC \$30

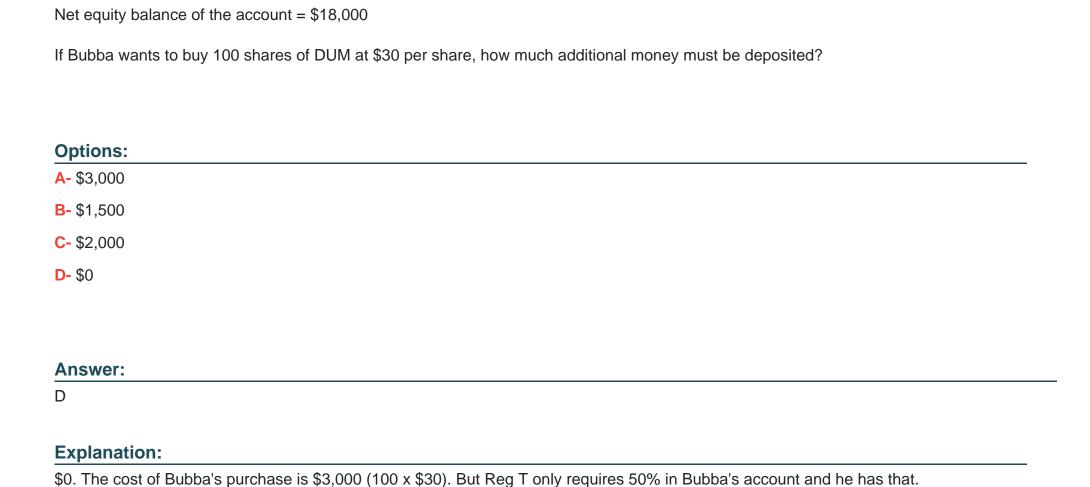
200 XYZ \$70

200 QBB \$40

200 KKK \$25

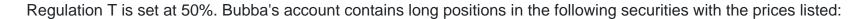
Total market value = \$30,000

Debit balance in the account = \$12,000



# **Question 4**

### **Question Type:** MultipleChoice



100 ABC \$30

200 XYZ \$70

200 QBB \$40

200 KKK \$25

Total market value = \$30,000

Debit balance in the account = \$12,000

Net equity balance of the account = \$18,000

What is the buying power in Bubba's account?

#### **Options:**

**A-** \$3,000

**B-** \$6,000

**C-** \$11,000

#### **Answer:**

В

### **Explanation:**

\$6,000. Divide Bubba's excess equity by the Reg T margin requirement of 50%.

# **Question 5**

#### **Question Type:** MultipleChoice

Regulation T is set at 50%. Bubba's account contains long positions in the following securities with the prices listed:

100 ABC \$30

200 XYZ \$70

200 QBB \$40

200 KKK \$25

Total market value = \$30,000 Debit balance in the account = \$12,000 Net equity balance of the account = \$18,000 What is Bubba's excess equity in the account? **Options: A-** \$3,000 **B-** \$18,000 **C-** \$12,000 **D-** \$0 **Answer:** Α

#### **Explanation:**

\$3,000. With Reg T at 50%, Bubba's equity should be half of the \$30,000 account value, which is \$15,000. Since his equity is \$18,000 Bubba has \$3,000 of excess equity.

# **Question 6**

Questio	n Type:	Multi	pleChoice
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How often must Investment companies issue financial statements to shareholders?

### **Options:**

- A- monthly
- **B-** quarterly
- C- semi-annually
- **D-** annually

#### **Answer:**

C

### **Explanation:**

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

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