

1,001 Practice Questions

Series 7 Exam

FOR
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Steven M. Rice

Author of Series 7 Exam For Dummies



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Introduction

This book is designed for people like you who are getting prepared to tackle the Series 7 exam. Make no mistake, the Series 7 can be a gorilla of an exam if you don't prepare adequately. It isn't enough for you to have a good grasp on the material covered on the Series 7; you also need to have completed enough practice questions to go in to take the *real deal* with confidence.

Tackling test questions is a skill. I have tutored many students who could just about recite a Series 7 book from memory, but when it came down to answering questions, they were lost. The only way to get better is to answer a lot of questions. You need to know how to break questions down, focus on the last sentence in the question, and eliminate wrong answers.

This book is broken down into chapters and sections, but you can jump around to whatever topic you need help with. And although I've organized the questions into logical chapters, when you take the real Series 7 exam, the questions are not going to be in chapter order; they will be jumbled. If you want to get a feel for the real exam, you may want to randomly grab 100 questions or so encompassing all the different chapters and subchapters.

This is your book, so feel free to either take each question one by one and check the answer and explanation or complete an entire section before looking at the answers and explanations. Either way you do it, make sure that you give your best effort in answering each question before looking at the answer. Also, keep your eyes from wandering to the answers to questions you haven't completed yet.

Work hard and give yourself the best opportunity to pass the Series 7 exam on the first (or next) attempt.

What You'll Find

The 1,001 Series 7 exam practice problems in the book are divided into 12 chapters with several subsections. Each chapter provides an abundance of question types that you're likely to face when taking the real exam. As on the real exam, some questions will take you a few seconds to answer, and some will take you a couple of minutes.

The last chapter of the book provides the answers and detailed explanations to all the problems. If you get an answer wrong, give it a second attempt before reading the explanation. Eliminating answers that you know are wrong will have a big impact on your score as compared to just "C-ing" your way through (just choosing Choice [C] for every answer you're not sure of).

Beyond the Book

This product comes with an online Cheat Sheet that helps you increase your odds of performing well on the Series 7 exam. Check out the free Cheat Sheet at www.dummies.com/cheatsheet/1001series7.

Where to Go for Additional Help

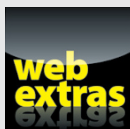
I wouldn't say that any part of the Series 7 is overly difficult, but the exam itself is tough. The problem is that there is so much to remember. Remembering everything and not confusing rules and numbers makes it one of the tougher exams you can take.

In addition to getting help from people who have recently passed the Series 7 exam, Series 7 teachers, or tutors, you can find a variety of questions and study materials online. A simple online search often turns up heaps of information. You can also head to www.dummies.com to see the many articles and books that can help you in your studies.

1,001 Series 7 Exam Practice Questions For Dummies gives you just that — 1,001 practice questions and answers to help you prepare for the Series 7 exam. If you need more in-depth study and direction, check out *Series 7 Exam For Dummies*, written by yours truly (and published by Wiley). This book provides you with the background you need to master the Series 7 exam.

Part I

The Questions



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In this part . . .

Make no mistake: Doing well on the Series 7 exam requires a lot of study and practice. Here are the categories of questions you'll face:

- ✓ Underwriting securities (Chapter 1)
- ✓ Equity securities (Chapter 2)
- ✓ Corporate and U.S. government debt securities (Chapter 3)
- ✓ Municipal bonds (Chapter 4)
- ✓ Margin accounts (Chapter 5)
- ✓ Packaged securities (Chapter 6)
- ✓ Direct participation programs (Chapter 7)
- ✓ Options (Chapter 8)
- ✓ Portfolio and securities analysis (Chapter 9)
- ✓ Orders and trades (Chapter 10)
- ✓ Taxes and retirement plans (Chapter 11)
- ✓ Rules and regulations (Chapter 12)

Chapter 1

Underwriting Securities

A good place to start is at the beginning. Prior to corporations “going public,” they must register and have a way of distributing their securities. The Series 7 exam tests your ability to understand the registration process, the entities involved in bringing new issues to market, and types of offerings. In addition, you’re expected to know which securities are exempt from Securities and Exchange Commission (SEC) registration.

The Problems You’ll Work On

As you work through this chapter, be sure you can recognize, understand, and, in some cases, calculate the following:

- ✓ The process involved with bringing new issues to market
- ✓ Who gets what (distribution of profits)
- ✓ The different types of offerings
- ✓ Exempt securities and transactions

What to Watch Out For

Read the questions and answer choices carefully and make sure that you

- ✓ Watch out for words that can change the answer you’re looking for, such as EXCEPT, NOT, ALWAYS, and so on.
- ✓ Recognize that there’s a difference between *exempt securities* and *exempt transactions*.
- ✓ If you’re not certain of the correct answer, try to eliminate any answers that you can. Doing so may make the difference between passing and failing.

1–34 Bringing New Issues to Market

1. Which of the following types of underwriting agreements specify that any unsold securities are retained by the underwriters?
 - (A) mini-max
 - (B) firm commitment
 - (C) all-or-none (AON)
 - (D) best efforts
2. Pluto Broker-Dealer is offering an IPO that will not be listed on the NYSE, NASDAQ, or any other exchange. How long after the effective date must Pluto provide a final prospectus to all purchasers?
 - (A) 20 days
 - (B) 30 days
 - (C) 40 days
 - (D) 90 days
3. The cooling-off period for a new issue lasts approximately how many days?
 - (A) 20
 - (B) 30
 - (C) 40
 - (D) 60
4. GNU Corporation is planning to issue new shares to the public. GNU has not yet filed a registration statement with the SEC. An underwriter for GNU may do which of the following?
 - (A) Accept money from investors for payment of the new issue of GNU.
 - (B) Send a red herring to investors.
 - (C) Accept indications of interest.
 - (D) None of the above.
5. Which of the following is NOT a type of bond underwriting?
 - (A) mini-max
 - (B) best efforts
 - (C) standby
 - (D) AON
6. A tombstone ad would include all of the following names EXCEPT
 - (A) selling group members
 - (B) syndicate members
 - (C) the syndicate manager
 - (D) the issuer
7. A registered rep may use a preliminary prospectus to
 - (A) solicit orders from clients to purchase a new issue
 - (B) show prospective investors that the issue has been approved by the SEC
 - (C) obtain indications of interest from investors
 - (D) accept orders and payments from investors for a new issue
8. All of the following are included in the preliminary prospectus EXCEPT
 - I. the public offering price
 - II. the financial history of the issuer
 - III. the effective date
 - (A) I only
 - (B) I and II
 - (C) II and III
 - (D) I and III

- 9.** What is the underwriting arrangement that allows an issuer whose stock is already trading publicly to time the sales of an additional issue?
- (A) shelf registration
 - (B) a standby underwriting
 - (C) a negotiated offering
 - (D) an Eastern account underwriting
- 10.** A primary offering would do which of the following?
- I. Increase the number of shares outstanding.
 - II. Decrease the number of shares outstanding.
 - III. Raise additional capital for the issuer.
 - IV. Include selling treasury stock.
- (A) I, III, and IV
 - (B) II, III, and IV
 - (C) I and IV
 - (D) I and III
- 11.** Which of the following are types of state securities registration?
- I. filing
 - II. communication
 - III. qualification
 - IV. coordination
- (A) I, III, and IV
 - (B) II, III, and IV
 - (C) I, II, and III
 - (D) I, II, III, and IV
- 12.** Which of the following securities acts covers the registration and disclosure requirements of new issues?
- (A) the Securities Act of 1933
 - (B) the Securities Exchange Act of 1934
 - (C) the Trust Indenture Act of 1939
 - (D) all of the above
- 13.** Which TWO of the following are considered securities under the Securities Act of 1933?
- I. variable annuities
 - II. fixed annuities
 - III. FDIC insured negotiable CDs
 - IV. oil and gas limited partnerships
- (A) I and III
 - (B) I and IV
 - (C) II and III
 - (D) II and IV
- 14.** All of the following would be included on a tombstone ad EXCEPT
- (A) the name of the issuer
 - (B) the names of the selling groups
 - (C) the names of the syndicate members
 - (D) the name of the syndicate manager
- 15.** Under the Securities Act of 1933, the SEC has the authority to
- I. approve new issues of common stock
 - II. issue stop orders
 - III. review registration statements
- (A) I and II
 - (B) II and III
 - (C) I and III
 - (D) all of the above

- 16.** Stabilizing bids may be entered at
- (A) a price at or below the public offering price
 - (B) the stabilizing price stated in the final prospectus
 - (C) a price at or slightly above the public offering price
 - (D) a price deemed reasonable by the Fed
- 17.** All of the following may be determined by the managing underwriter EXCEPT
- (A) the takedown
 - (B) the public offering price
 - (C) the effective date
 - (D) the allocation of orders
- 18.** A corporation in the process of issuing stock has not filed a registration statement with the SEC. An account executive may do which of the following relating to the new issue?
- (A) Accept money from customers.
 - (B) Obtain indications of interest.
 - (C) Guarantee to customers that they will be able to purchase 1,000 shares of the new issue.
 - (D) Nothing.
- 19.** HIJ Corporation is issuing common stock through an IPO that will trade on the OTCBB when it is first issued. Broker-dealers who execute orders for clients in HIJ common stock must have a copy of a final prospectus available for how long?
- (A) 25 days after the effective date
 - (B) 30 days after the effective date
 - (C) 40 days after the effective date
 - (D) 90 days after the effective date
- 20.** Zamzow, Inc., has filed a registration statement and is currently in the cooling-off period. Zowie Broker-Dealer is the lead underwriter for Zamzow and is in the process of taking indications of interest. Which TWO of the following are TRUE regarding indications of interest?
- I. They are binding on Zowie.
 - II. They are binding on customers.
 - III. They are not binding on Zowie.
 - IV. They are not binding on customers.
- (A) I and II
 - (B) III and IV
 - (C) I and IV
 - (D) II and III
- 21.** A syndicate has just won a bid on a new issue of corporate bonds. The syndicate is expected to start receiving orders for this issue shortly. What is the normal order for filling orders from highest priority to lowest priority?
- I. group net
 - II. member
 - III. designated
 - IV. presale
- (A) IV, I, III, II
 - (B) I, III, II, IV
 - (C) III, II, I, IV
 - (D) IV, II, I, III

- 22.** All of the following terms apply to a new issue of securities EXCEPT
- (A) stabilization
 - (B) due diligence
 - (C) matching orders
 - (D) cooling-off period
- 23.** Which of the following are covered under the Securities and Exchange Act of 1934?
- I. margin accounts
 - II. trust indentures
 - III. proxies
 - IV. short sales
- (A) I, II, and III
 - (B) II and IV
 - (C) III and IV
 - (D) I, III, and IV
- 24.** An investment banking firm has won a competitive bid for a corporate underwriting of ABCDE common stock. The investment banking firm has agreed to purchase the shares from the issuer. This type of offering is a(n)
- (A) all-or-none underwriting
 - (B) best efforts underwriting
 - (C) standby underwriting
 - (D) firm commitment underwriting
- 25.** Silversmith Securities is the lead underwriter for 2 million shares of HIJ common stock. Silversmith has entered into an agreement with HIJ to sell as many shares of their common stock as possible, but HIJ will cancel the offering if the entire 2 million shares are not sold. What type of offering is this?
- (A) firm commitment
 - (B) all-or-none
 - (C) mini-max
 - (D) best efforts
- 26.** Which of the following documents details the liabilities and responsibilities of each firm involved in the distribution of new securities?
- (A) the registration statement
 - (B) the letter of intent
 - (C) the syndicate agreement
 - (D) the code of procedure
- 27.** Which of the following information must be included in the registration statement to the SEC when registering new securities?
- I. the issuer's name and description of its business
 - II. what the proceeds of sale will be used for
 - III. financial statements
 - IV. the company's capitalization
- (A) I and III
 - (B) I, II, and III
 - (C) I, III, and IV
 - (D) I, II, III, and IV

28. Which of the following is TRUE?

- I. The registrar is responsible for making sure that a corporation's outstanding shares do not exceed the amount of authorized shares.
- II. The transfer agent is responsible for making sure that a corporation's outstanding shares do not exceed the amount of authorized shares.
- III. The registrar maintains records of a corporation's stock and bond owners plus mails and cancels old certificates as necessary.
- IV. The transfer agent maintains records of a corporation's stock and bond owners plus mails and cancels old certificates as necessary.

- (A) I and III
- (B) I and IV
- (C) II and III
- (D) II and IV

29. Which of the following securities is subject to the anti-fraud provision of the Securities Act of 1933?

- (A) U.S. government securities
- (B) common stock issued by any corporation
- (C) private placements under Regulation D
- (D) all of the above

30. SEC Rule 145 requires shareholder approval for which of the following events?

- I. new shares issued for a stock dividend
- II. new shares issued for a stock split
- III. an acquisition
- IV. mergers or consolidations

- (A) I and II
- (B) III and IV
- (C) I, III, and IV
- (D) II and IV

31. One of your clients is interested in purchasing shares of a new issue of DIMM common stock. However, the demand for DIMM has exceeded the number of shares DIMM had intended to offer. You should look to see whether there is a

- (A) Rule 144 exemption
- (B) Rule 145 exemption
- (C) green shoe provision
- (D) way of purchasing the shares privately

32. The main function of an investment banker is to

- (A) advise an issuer on how to raise capital
- (B) raise capital for issuers by selling securities
- (C) help issuers comply with the laws of the Securities Act of 1933
- (D) all of the above

33. Which of the following is NOT determined by the syndicate manager?

- (A) the effective date
- (B) allocation of orders
- (C) syndicate member allotment
- (D) public offering price

34. Which of the following documents would contain the allocation of orders?

- (A) official statement
- (B) trust indenture
- (C) syndicate agreement
- (D) preliminary prospectus

35–44 *Distribution of Profits*

35. Place the following in order from largest compensation to smallest compensation in an underwriting spread.

- I. concession
- II. manager's fee
- III. reallowance
- IV. takedown

- (A) IV, I, III, II
- (B) II, III, I, IV
- (C) I, II, III, IV
- (D) III, II, I, IV

36. The public offering price to purchase a new issue of DEF Corporate bonds is \$1,000. However, the issuer receives only \$989 per bond. What is the \$11 difference called?

- (A) the takedown
- (B) the underwriting spread
- (C) the additional takedown
- (D) the concession

37. Your firm is a syndicate member for an IPO offering of BCDE common stock. If you sell one of your customer's BCDE stock, he will pay the public offering price

- (A) plus a commission
- (B) plus a markup
- (C) without a markup or commission
- (D) plus a manager's fee

38. Armbar common stock is being sold to a syndicate during an underwriting for \$13.50 per share. The public offering price is \$15.00 per share, and the manager's fee is \$0.25 per share. If the concession is \$0.80 per share, what is the additional takedown?

- (A) \$0.45 per share
- (B) \$1.15 per share
- (C) \$1.25 per share
- (D) \$1.50 per share

39. Liddell Securities is part of a syndicate that is offering new shares of SLAM Corporation common stock to the public. There are 8 million shares being offered to the public, and Liddell Securities is allocated 1 million shares. After selling its allotment, 800,000 shares remain unsold by other members. How much of the remaining shares would Liddell Securities be responsible for?

- I. 100,000 shares if the offering was on an Eastern account basis
- II. 100,000 shares if the offering was on a Western account basis
- III. 0 shares if the offering was on an Eastern account basis
- IV. 0 shares if the offering was on a Western account basis

- (A) I and IV
- (B) II and III
- (C) I and II
- (D) III and IV

- 40.** Faber Hughes Corporation is offering 2 million new shares to the public. The shares are being sold to a syndicate for \$8 and are being reoffered to the public at \$9. The takedown for each share sold is \$0.85. The concession is \$0.55 a share, and the managing underwriter retains \$0.15 in fees for each share sold by anybody. The selling group will assist in selling 500,000 of the 2 million shares offered. If the selling group sells its entire allotment, how much does it make in profits?
- (A) \$425,000
(B) \$150,000
(C) \$350,000
(D) \$275,000
- 41.** A syndicate is offering 10 million new shares to the public on an Eastern account basis. A member of the syndicate is responsible for selling 2.5 million shares. After selling its entire allotment, 1 million shares are left unsold by other members. How many additional shares is the firm responsible for selling to the public?
- (A) 0
(B) 100,000
(C) 250,000
(D) 1 million
- 42.** TUV Corp. is offering 6 million new shares to the public. The shares are being sold to a syndicate for \$15 and are being reoffered to the public at \$16. The compensation to the underwriters for each share sold is \$0.75. The selling group receives \$0.30 a share for each share it sells, and the managing underwriter retains \$0.25 in fees for each share sold by anybody. The selling group will assist in selling 1 million of the 6 million shares offered. If the selling group sells its entire allotment, how much does the syndicate make on shares sold by the selling group?
- (A) \$200,000
(B) \$300,000
(C) \$450,000
(D) \$750,000
- 43.** The smallest portion of a corporate underwriting spread is the
- (A) concession
(B) takedown
(C) reallowance
(D) manager's fee
- 44.** What is the profit syndicate members make when selling shares of a new issue?
- (A) the concession
(B) the takedown
(C) the reallowance
(D) the spread

45–49 Types of Offerings

- 45.** A municipality is offering \$20 million of new bonds through a syndicate in a negotiated offering. A firm in a syndicate that is established as a Western account is responsible for selling \$2 million of the bonds. After the firm sells \$1.8 million of the firm's allotment, the manager of the syndicate determines that there are \$4 million of bonds left unsold. How much of the unsold bonds is the firm responsible for selling?
- (A) 0
(B) 200,000
(C) 400,000
(D) 600,000
- 46.** A corporation is offering 1 million shares of its common stock to the public. Of those shares, 600,000 are authorized but previously unissued, while insiders of the company are selling the other 400,000 shares. What type of offering is this?
- (A) IPO
(B) primary
(C) secondary
(D) combined

- 47.** WXY Corporation is offering a large block of treasury stock. What type of offering is this?
- (A) IPO
 - (B) primary
 - (C) secondary
 - (D) split
- 48.** The first time a corporation issues stock is called a(n)
- (A) primary offering
 - (B) secondary offering
 - (C) split offering
 - (D) initial public offering
- 49.** SEC Rule 415 outlines rules for
- (A) primary offerings
 - (B) shelf offerings
 - (C) secondary offerings
 - (D) IPOs

50–64 Exempt Securities and Transactions

- 50.** Which of the following Securities Act of 1933 exemptions may be used for an initial offering of securities?
- I. Rule 144
 - II. Rule 147
 - III. Regulation D
 - IV. Regulation S
- (A) I, II, and III
 - (B) II and IV
 - (C) III and IV
 - (D) II, III, and IV

- 51.** One of your clients purchased unregistered securities overseas from a U.S. corporation under Regulation S. Which of the following is TRUE?
- I. They are exempt transactions.
 - II. They are exempt securities.
 - III. The securities must be held for 270 days before they can be resold in the United States.
 - IV. The securities must be held for one year before they can be resold in the United States.
- (A) I and III
 - (B) I and IV
 - (C) II and III
 - (D) II and IV

- 52.** One of your clients wants to purchase a private placement. According to Regulation D, which of the following are the minimum standards for an accredited investor?
- I. a net worth exceeding \$1 million excluding primary residence
 - II. a net worth exceeding \$300,000 excluding primary residence
 - III. an annual income exceeding \$100,000 in each of the two most recent years and a reasonable expectation of the same income level in the current year
 - IV. annual income exceeding \$200,000 in each of the two most recent years and a reasonable expectation of the same income level in the current year
- (A) I and III
 - (B) I and IV
 - (C) II and III
 - (D) II and IV

- 53.** Which of the following securities are exempt from the full registration requirements of the Securities Act of 1933?
- (A) corporate convertible bonds
 - (B) closed-end funds
 - (C) real estate limited partnerships
 - (D) commercial paper
- 54.** A Regulation D private placement is
- (A) an offering of securities to no more than 35 unaccredited investors in a 12-month period
 - (B) an intrastate offering
 - (C) an offering of securities worth no more than \$5 million in a 12-month period
 - (D) a large offering of commercial paper
- 55.** A Regulation S exemption under the Securities Act of 1933 is for
- (A) a non-U.S. issuer issuing new securities to U.S. investors
 - (B) a U.S. issuer issuing new securities to non-U.S. investors
 - (C) a U.S. issuer issuing new securities to U.S. investors
 - (D) a non-U.S. issuer issuing new securities to non-U.S. investors
- 56.** Which of the following are non-exempt securities?
- I. municipal GO bonds
 - II. treasury notes
 - III. blue chip stocks
 - IV. variable annuities
- (A) I and II
 - (B) II and III
 - (C) III and IV
 - (D) I and IV
- 57.** Which of the following is TRUE of Regulation A offerings?
- (A) They are limited to 35 unaccredited investors each year.
 - (B) They are issued without using a prospectus.
 - (C) They are limited to raising up to \$10 million per year.
 - (D) They are also known as private placements.
- 58.** A Rule 147 offering is
- (A) an offering of securities only within the issuer's home state
 - (B) an offering of securities worth no more than \$5 million within a one-year period
 - (C) an offering of securities to no more than 35 unaccredited investors within a one-year period
 - (D) also known as an interstate offering
- 59.** Sig Hillstrand has held shares of Greenhorn restricted stock for more than one year. Greenhorn has 4 million shares outstanding. The most recently reported weekly trading volumes for Greenhorn are as follows:
- | Week Ending | Trading Volume |
|-------------|----------------|
| May 27 | 35,000 |
| May 20 | 50,000 |
| May 13 | 40,000 |
| May 6 | 45,000 |
| Apr 29 | 50,000 |
- What is the maximum number of shares that Sig can sell under Rule 144?
- (A) 35,000
 - (B) 46,250
 - (C) 44,000
 - (D) 42,500

- 60.** Which of the following securities is NOT exempt from SEC registration?
- (A) limited partnership public offerings
 - (B) treasury notes sold at auction
 - (C) Rule 147 offerings
 - (D) private placements
- 61.** Derrick Diamond has held restricted stock for six months. When must Derrick file a Form 144 with the SEC to sell the stock publicly?
- (A) at the time of sale
 - (B) 30 days after the sale
 - (C) 60 days after the sale
 - (D) 90 days after the sale
- 62.** Which of the following are exempt transactions?
- I. private placements
 - II. securities issued by the U.S. government
 - III. municipal bonds
 - IV. intrastate offerings
- (A) II and III
 - (B) II, III, and IV
 - (C) I and IV
 - (D) I, II, III, and IV
- 63.** Mike Steelhead and his wife, Mary, would like to open a joint account at your firm. They are interested in purchasing a private placement under Regulation D. You should inform them that to be considered accredited investors, they must have a combined annual income of at least
- (A) \$200,000
 - (B) \$300,000
 - (C) \$500,000
 - (D) \$1 million
- 64.** All of the following are exempt securities under the Act of 1933 EXCEPT
- (A) treasury bonds
 - (B) municipal general obligation bonds
 - (C) REITs
 - (D) public utility stocks

Chapter 2

Equity Securities

To be a corporation, you must have stockholders. Both common and preferred stock are considered *equity securities* because they represent ownership of the corporation. A majority of most registered representatives' commission is earned by selling equity securities because, historically, equity securities have outpaced inflation.

Although this isn't the largest section on the Series 7 exam, it does relate to many other chapters, such as packaged securities and options.

The Problems You'll Work On

In this chapter, you're expected to understand and calculate questions regarding the following:

- ✓ The specifics of common stock
- ✓ How stock splits and dividends affect stockholders
- ✓ The difference between common stock and preferred stock
- ✓ The reason for American depositary receipts (ADRs)
- ✓ What rights and warrants are

What to Watch Out For

Read the questions and answer choices carefully, and be sure you

- ✓ Don't assume an answer without reading each question and answer choice completely (twice if necessary).
- ✓ Watch out for key words that can change the answer (EXCEPT, NOT, and so on).
- ✓ Eliminate any incorrect answer choice that you can.
- ✓ Look at questions from the corporation's or the investor's point of view depending on how the question is worded.

65–77 Common Stock

- 65.** Which of the following would be owners of a corporation?
- I. common stockholders
 - II. debenture holders
 - III. participation preferred stockholders
 - IV. equipment trust bondholders
- (A) I and III
(B) II and IV
(C) I, III, and IV
(D) II, III, and IV
- 66.** Which of the following does NOT describe treasury stock?
- (A) It has no voting rights.
(B) It is stock that was previously authorized but still unissued.
(C) It is issued stock that has been repurchased by the company.
(D) It has no dividends.
- 67.** Common stockholders have the right to vote for all of the following EXCEPT
- I. cash dividends
 - II. stock dividends
 - III. stock splits
 - IV. members of the board of directors
- (A) I, II, and III
(B) III and IV
(C) I and II
(D) IV only
- 68.** An individual owns 2,000 shares of TUV common stock. TUV has four vacancies on the board of directors. If the voting is cumulative, the investor may vote in any of the following ways EXCEPT
- (A) 4,000 votes for two candidates each
(B) 5,000 votes for one candidate and 3,000 votes for another candidate
(C) 3,000 votes each for three candidates
(D) 2,000 votes for four candidates each
- 69.** You have a new client who is new to investing. She is concerned about taking too much risk. Which of the following investments could you tell her is the riskiest?
- (A) common stock
(B) preferred stock
(C) debentures
(D) GO bonds
- 70.** Macrohard Corp. was authorized to issue 2 million shares of common stock. Macrohard issued 1.1 million shares and subsequently repurchased 150,000 shares. How many of Macrohard's shares remain outstanding?
- (A) 150,000
(B) 900,000
(C) 950,000
(D) 1.85 million
- 71.** Treasury stock is
- (A) U.S. government stock
(B) local government stock
(C) authorized but unissued stock
(D) repurchased stock