



FINRA-SERIES-63^{Q&As}

FINRA Uniform Securities Agent State Law Examination

Pass FINRA FINRA-SERIES-63 Exam with 100% Guarantee

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

<https://www.geekcert.com/finra-series-63.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

Penny Swyne, an agent employed by Bear Broker-Dealers, has received a written complaint via e-mail from Mr. Wolf regarding her performance as his agent. What are Ms. Swyne's legitimate options?

- A. Ms. Swyne can call Mr. Wolf and offer to meet him for a romantic dinner and try to convince him to revoke the complaint.
- B. As illegal as it may sound, since the complaint was via e-mail, Ms. Swyne can hit the delete button and make it all go away.
- C. Ms. Swyne must forward the complaint to the state Administrator.
- D. Ms. Swyne must provide Bear Broker-Dealers with a copy of the complaint.

Correct Answer: D

Ms. Swyne must provide Bear Broker-Dealers with a copy of the complaint sent by Mr. Wolf. Bear Broker-Dealers is required to respond to this complaint in writing and keep a record of it. E-mails are treated the same as snail-mails.

QUESTION 2

An investment adviser may act as a custodian for a client's securities if

- I. the Administrator of the state doesn't have a rule prohibiting custodial arrangements.
- II. he informs the state Administrator in writing that he will be acting as a custodian for the client.
- III.

he arranges to pay an independent certified public accountant to perform an unannounced audit of his books each year so that the accountant can report his findings to the state Administrator.

- A.
I only
- B.
I and II only
- C.
I and III only
- D.
I, II and III

Correct Answer: D

Selections I, II, and III are true statements. In order for an investment adviser to act as a custodian for a client's securities, he must first make certain that the Administrator of the state in which he's registered does not prohibit it.



Then he must inform the Administrator in writing that he will be acting as a custodian for the client, and he has to pay for an independent CPA to audit his books once a year to make certain that everything is copasetic, upon which the CPA reports his findings to the state Administrator. There are also other requirements that must be met.

QUESTION 3

Which of the following are examples of the prohibited practice of manipulation in the securities markets?

I. Broker-Dealer Joker is unhappy with its investment in the stock of a speculative firm and engages another broker-dealer to purchase a large number of shares from it, with the unofficial agreement to buy back those shares, offer more shares which the second broker- dealer will purchase, and so on.

II. Broker-Dealer Joker has a large short position in the stock of a certain corporation. Joker offers a bonus to its agents who effect sale transactions in the stock.

III.

A client calls Broker-Dealer Joker with a request to purchase 20 bonds issued by Massachusetts Institute of Technology (MIT.) The bonds are currently selling for their par value of \$1,000. Knowing this, Joker offers to sell the client the bonds for \$120 per \$100 of par, or \$1,200 per \$1,000 bond.

A.

I, II, and III

B.

I and II only

C.

I and III only

D.

I only

Correct Answer: B

Only Selections I and II are examples of manipulation in the securities market. It is considered to be manipulation if one firm engages another firm to make a series of purchases and sales that will make it appear that there is very active trading in the security; it is also considered manipulation if a broker-dealer encourages its agents to solicit sales of a security in which it has a short position since that broker-dealer is hoping that the sales will drive the price of the security down, thereby making the firm's position profitable. Although the offer to sell a client bonds at a much higher price than their market price is illegal, it is not an example of price manipulation.

QUESTION 4

Registration by coordination is provided for by which of the following federal securities acts?

A. Securities Act of 1933

B. Securities and Exchange Act of 1934



C. Investment Advisers Act of 1940

D. Investment Company Act of 1940

Correct Answer: A

The Securities Act of 1933 is the Act that requires that all new securities be registered and provides for registration by coordination.

QUESTION 5

Which of the following are accurate statements regarding the minimum financial requirements for investment advisers according to the NASAA Model Rules?

I. Any investment adviser who has discretionary authority over a client's assets, but who does not have actual custody of client funds or securities, is required to maintain a minimum net worth of \$10,000 at all times.

II. An investment adviser who requires that a fee of more than \$500 from his clients be paid six months or more in advance must maintain a positive net worth at all times.

III.

Only an investment adviser who has actual custody of client assets is subject to a minimum net worth requirement, which the NASAA Model Rules specifies is \$10,000.

A.

I only

B.

I and II only

C.

II and III only

D.

III only

Correct Answer: B

Only Selections I and II are accurate statements of the NASAA Model Rules regarding minimum financial requirements for investment advisers. The NASAA rules stipulate that an adviser who has only discretionary authority, but does not take custody of a client's assets, must maintain a minimum net worth of \$10,000 at all times. Furthermore, any investment adviser who requires a fee of more than \$500 from his clients to be paid six months or more in advance must maintain a positive net worth at all times.

[Latest FINRA-SERIES-63 Dumps](#)

[FINRA-SERIES-63 Practice Test](#)

[FINRA-SERIES-63 Braindumps](#)