# FINRA-SERIES-6[Q&As]

FINRA Investment Company and Variable Contracts Products Representative Examination (IR)

## Pass FINRA FINRA-SERIES-6 Exam with 100% Guarantee

**QUESTION 1**

Jack is an investment adviser representative employed by Giant Investments, a family of mutual funds. Jack has recently read an article posted on the web that he thinks explains some consequences of some tax law changes that are being considered extremely well, and he e-mails his existing retail customers with a summary of the salient facts of the article. Given these facts:

A. Jack has violated FINRA rules if he did not first have a principal of Giant approve his e -mail prior to hitting the send button.

B. Jack must submit a copy of the e-mail to a principal of the company, but he did not need to do so prior to sending the e-mail.

C. a copy of the e-mail must be submitted to FINRA within 10 days of Jack\\'s hitting the send button.

D. Both A and C are true statements regarding this situation.

Correct Answer: B

Explanation: When Jack e-mails some of his existing retail clients with a summary of the tax article, he must submit a copy of the e-mail to a principal of the company, but he does not need to do so prior to sending the e-mail. Since this was sent to Jack\\'s existing retail customers, it falls under the category of “correspondence,” which does not need to be approved by a principal beforehand, but is subject to review and supervision requirements.

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**QUESTION 2**

Which of the following payout options would provide an annuity owner with the biggest monthly check?

A. joint and last survivor

B. straight life

C. life with period certain

D. unit refund life

Correct Answer: B

Explanation: The straight life payout option would provide an annuity owner with the biggest monthly check. Under this option, the annuity payments stop upon the death of the owner. All of the other options would require that the insurance

company stand ready to continue payments beyond the owner\\'s death.

This means more risk to the insurance company and, ergo, lower payments to the owner.

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**QUESTION 3**

Which of the following are included in the expense ratio of a fund?

I. 12b-1 fees

II. brokerage costs incurred by the fund when it buys and sells securities

III. redemption fees

IV.

management fees

A.

I and IV only

B.

I, II, and IV only

C.

I, III, and IV only

D.

I, II, III, and IV

Correct Answer: A

Explanation: Of the selections, only 12b-1 fees and management fees are included in the expense ratio of the fund. Brokerage costs that the fund incurs when it buys and sells securities are not included (which is why a fund\\'s turnover ratio is important to consider.) Redemption fees are paid by the shareholder to the fund, so it would not be included in a fund\\'s expense ratio since it is not an expense of the fund.

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**QUESTION 4**

Tex Payor purchased his shares of Invest4U Mutual Fund 30 days prior to its ex-dividend date. In order for any dividends he receives from the fund to be qualified, Tex cannot sell his shares until:

A. one day after the fund\\'s ex-dividend date.

B. thirty-one days after the fund\\'s ex-dividend date.

C. six months after the settlement date of his purchase.

D. twelve months after the settlement date of his purchase.

Correct Answer: B

Explanation: In order for any of the dividends Tex receives from the fund he purchased 30 days prior to its ex-dividend date to be considered qualified, Tex cannot sell his shares until thirty-one days after the fund\\'s ex-dividend date. To treat any fund dividends as qualified, a shareholder has to have held the shares for more than 60 days during a 121-day time frame that begins 60 days before the ex-dividend date stipulated by the fund. So, if Tex bought the shares 30 days prior to Invest4U\\'s ex-dividend date, he needs to hold the shares for at least another 31 days after the fund\\'s ex-dividend date for any distributed dividends to be considered qualified dividends.

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**QUESTION 5**

Which of the following entities is eligible to establish a Keogh Plan?

A. Ms. Dee Ziner is the owner of an interior design company that is established as a sole proprietorship.

B. Mr. Hans Deutsch is the owner of a Subchapter S Corporation that imports only Bavarian -made goods.

C. Mr. Will Writer teaches English at a community college and does freelance writing to supplement his income.

D. Both A and C are eligible to establish a Keogh Plan.

Correct Answer: D

Explanation: Both A and C are eligible to establish a Keogh Plan. Any individual who is self -employed, even in a second job, is eligible to set up a Keogh Plan as long as they have established themselves as sole proprietors and not as any form of corporation.