



**Free Questions for *Series-6* by *certscare***

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# Question 1

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## Question Type: MultipleChoice

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Joan is a customer of GetErDone Broker-Dealers. Her twin sister, Jean, has accompanied her to GetErDone's office and has gathered some information regarding opening an account with the firm, giving it her contact information at the same time.

Under Regulation S-P, which of the following statements regarding GetErDone's handling of Joan's and Jean's personal information is true?

### Options:

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- A-** GetErDone must provide Joan with a notification of its privacy policies annually and provide her with information on how to mandate that it not share her nonpublic personal information with nonaffiliated third parties.
- B-** GetErDone can disclose any information that Jean provided them to nonaffiliated third parties since Jean is not a customer of the broker-dealer.
- C-** GetErDone is required to have provided Jean with a copy of its privacy policy when she inquired about opening an account with the broker-dealer.
- D-** All of the above are true statements.

### Answer:

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A

**Explanation:**

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Since Joan is a customer of GetErDone, GetErDone must provide her with a notification of its privacy policies annually and provide her with information on how to mandate that it not share her nonpublic personal information with nonaffiliated third parties. GetErDone may not disclose any information about Jean, who is not yet a customer of the firm, unless the broker -dealer has provided Jean with its privacy policy and given her the opportunity to opt out of its ability to share her information with nonaffiliated third parties. GetErDone is not required to have provided Jean with a copy of its privacy policy when she inquired about opening an account, but it will need to provide her with one when/if she becomes a customer.

## Question 2

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**Question Type: MultipleChoice**

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A broker-dealer is required to file a Currency Transaction Report with the Treasury Department for:

**Options:**

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**A-** any transaction exceeding \$10,000 in value.

**B-** any cash transaction exceeding \$10,000.

**C-** any cash transaction exceeding \$3,000.

**D-** any transaction exceeding \$5,000.

**Answer:**

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B

**Explanation:**

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A broker dealer is required to file a Currency Transaction Report with the Treasury Department for any cash transaction exceeding \$10,000. The report does not need to be filed if the transaction simply has a market value of \$10,000, but does not involve cash (aka, currency.)

## Question 3

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**Question Type:** MultipleChoice

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The Bank Secrecy Act (BSA) requires any financial institution to:

i. file a suspicious activity report (SAR) when a possible violation of a law is suspected.

ii. inform its customer that it is filing the SAR.

iii. provide any customer that is suspected of engaging in an illegal transaction the opportunity to explain himself prior to filing an SAR.

IV. obtain specified information on any party sending or receiving a wire transfer of \$3,000 or more.

**Options:**

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A- I and II only

B- I, II, and IV only

C- I and IV only

D- I, II, III and IV

**Answer:**

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C

**Explanation:**

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Only Selections I and IV are accurate statements. The BSA requires any financial institution to file a suspicious activity report when a possible violation of the law is suspected, and it also requires that specified information on any party sending or receiving a wire transfer of \$3,000 or more be obtained and kept. The customer remains uninformed.

## Question 4

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**Question Type:** MultipleChoice

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Which of the following persons is not permitted to open an investment account?

- i. a general partnership
- ii. a corporation
- iii. the executor of an estate
- IV. a 16-year-old entrepreneur

**Options:**

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- A-** I and II only
- B-** I, II, and III only
- C-** I, II, and IV only
- D-** IV only

**Answer:**

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D

**Explanation:**

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Only the 16-year-old entrepreneur is not permitted to open an investment account. As a minor, he is not a legal person. All the other selections are legal persons and can establish investment accounts.

## Question 5

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**Question Type: MultipleChoice**

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Eddie and Edith open a JTWRROS account with you. This means that:

- i. You can accept a buy or sell order from either Eddie or Edith.
- ii. Any check that is drafted upon a request to withdraw funds can be written to either Eddie or Edith, or both.
- iii. If either Eddie or Edith die, the account assets will pass to that individual's estate, based on his or her percentage ownership of the account.
- IV. Correspondence concerning the account can be sent to either Eddie or Edith.

**Options:**

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A- I only

B- I and II only

C- I and IV only

D- I, II, III, and IV

**Answer:**

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C

**Explanation:**

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Only Selections I and IV are true statements. If Eddie and Edith open a JTWROS account with you, you can accept a buy or sell order from either one of them, and any correspondence concerning the account can be sent to either one of them. However, a check must be made out to both of them, in the same manner that the account is titled. A JTWROS account is a "joint tenants with rights of survivorship" account, which means that if either Eddie or Edith die, the account assets pass directly to the other one and do not go into the deceased's estate.

## Question 6

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**Question Type:** MultipleChoice

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Ms. Newbie's client, Mr. Nomad, has decided that he wants to go on an extended backpack trip through the Amazon. Since he'll be out of touch, he has given a friend of his limited power attorney to act on his behalf. Based on this, Mr. Nomad's friend can:

- i. present Ms. Newbie with an order to purchase securities on Mr. Nomad's behalf.
- ii. present Ms. Newbie with an order to sell securities on Mr. Nomad's behalf.
- iii. request a check be issued to him so that he can send Mr. Nomad some money.

**Options:**

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**A-** I only

**B-** I and II only

**C-** I, II, and III

**D-** none of the above. Only a relative can hold a power of attorney to engage in financial transactions for the grantor.

**Answer:**

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B

**Explanation:**

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Mr. Nomad's friend can engage in the activities described in Selections I and II only. A limited power of attorney gives Mr. Nomad's friend the authority to buy and sell securities on Mr. Nomad's behalf, but not to make any cash withdrawals. He would need a full power of attorney to be able to do so.

## Question 7

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**Question Type:** MultipleChoice

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Ms. Newbie is a newly-minted registered representative. Mr. Oldman saunters into her office, becomes infatuated with her, opens an account, and signs a document giving Ms. Newbie discretionary authority over the account. Mr. Oldman is 68 years old, retired, lives on a fixed income, and pays taxes at the lowest marginal tax rate available. His stated investment objectives are capital preservation and income. Ms. Newbie invests of his investment monies in a periodic-payment, deferred, variable annuity. Based on these facts:

### Options:

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- A-** Ms. Newbie has done a remarkable job as a newly-minted representative of allocating at least a fourth of Mr. Oldman's funds appropriately.
- B-** Ms. Newbie may lose her license before she gets started in the business for making an unauthorized transaction.
- C-** Ms. Newbie has a reasonable sexual harassment case against Mr. Oldman for putting her in such a position.
- D-** Although Ms. Newbie's asset allocation for Mr. Oldman is less than optimal, she is in no danger of losing her license or any other

penalty, given that she has been given discretionary authority over the account.

**Answer:**

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B

**Explanation:**

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If Ms. Newbie invests of Mr. Oldman's investment monies in a periodic payment, deferred, variable annuity, given his age and his investment objectives, she may lose her license before she gets started in the business for making an unauthorized transaction. Even though she has discretionary authority over the account, she must still ensure she selects investments that are suitable for her client. A deferred, variable annuity clearly does not match Mr. Oldman's investment objectives. The value of the contract fluctuates, for one thing, and for another, there will be no income from it initially since it is a deferred annuity, and it probably has a surrender charge as well.

## Question 8

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**Question Type:** MultipleChoice

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A discretionary account authorization permits a registered representative to decide:

### Options:

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- A- whether to make a purchase or a sale.
- B- what specific asset to purchase or sell.
- C- how much of an asset to buy or sell for the account.
- D- all of the above.

### Answer:

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D

### Explanation:

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A discretionary account authorization permits a registered representative to decide on all three issues-whether to make a purchase or a sale; what specific asset should be purchased or sold; and how much of that asset to buy or sell.

## Question 9

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**Question Type:** MultipleChoice

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ion No: 308

Ms. Newbie, a newly-minted registered representative with Savvy Investments, just had her first client walk through the door. The new account form that the client receives a copy of must contain the signatures of:

- i. the client.
- ii. Ms. Newbie.
- iii. Ms. Newbie's branch manager/supervisor.

**Options:**

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**A-** I only

**B-** I and II only

**C-** II and III only

**D-** I, II, and III

**Answer:**

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C

**Explanation:**

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The new account form that Ms. Newbie's client will receive must contain the signatures of both Ms. Newbie and her branch manager/supervisor. The signature of the client is not a requirement.

## Question 10

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**Question Type:** MultipleChoice

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Ms. Newbie, a newly-minted registered representative with Savvy Investments, just had her first client walk through the door. Before she can do anything, Ms. Newbie must obtain which of the following pieces of information from her client?

### Options:

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- A- age
- B- occupation
- C- taxpayer identification number (TIN)
- D- investment objectives

### Answer:

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A

### Explanation:

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Before she can do anything, FINRA requires that she ensure that her client is of legal age. Ms. Newbie must also make a reasonable effort to determine occupation, TIN, and investment objectives, and if her client refuses, Ms. Newbie must document the fact that she made an effort to obtain this information.

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