**Topic 15 Knowledge Check**

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| Points: | 22 |

Started on Jun 21 at 21:14

Your Submission:

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1. Bookmark question for later

Which of the following is not one of the ways the Dodd Frank Act monitors capital markets?

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| * + Assign a CAMELS score to bank   + Monitor hedge fund industry   + Regulate types of assets banks can hold   + Systematic risk analysis   + Monitor insurance industry |
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1. Bookmark question for later

Which of the following is NOT part of the Sarbanes-Oxley Act:

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| * + Disciplines accounting firms for oversight of compliance issues   + Assigns specific accounting firms to audit a firm based on its industry   + Requires external audits of financial statements   + Holds top management responsible for accurate accounting reports   + Assigns new responsibilities to board members |
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1. Bookmark question for later

Who is NOT subject to FINRA regulation?

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| * + Corporations that trade in equity, bond or futures markets that are not regulated by another self-regulatory organization   + Brokerage firms   + Exchange markets   + All of these choices are subject to FINRA regulation   + None of these choices are subject to FINRA regulation |
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1. Bookmark question for later

What is FINRA’s primary purpose?

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| * + Help brokers pass licensing exams   + Ensure the securities industry is fair and honest   + Assist firms in their IPO   + Keep investors informed of changes in the market   + Report incompliant firms to exchange markets |
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1. Bookmark question for later

All firms that wish to make an initial public offering of equity or debt for non-accredited investors must first file public disclosure data with the SEC.

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| TrueFalse |
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1. Bookmark question for later

A prospectus contains all of the following except:

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| * + The name(s) of underwriter facilitating the offering   + Detailed information about the securities offered   + Audited financial statements   + Price and number of shares offering will include   + Pro forma statements supporting the need for capital |
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1. Bookmark question for later

The “Wildcat Banking” era lead the government to regulate the banking industry in the US.  Which of the following acts was instituted in an effort to help prevent bank runs:

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| * + McFadden Act of 1927   + National Banking Act of 1863   + Glass-Steagall Banking Act of 1933   + Bank Holding Company Act of 1956   + Federal Reserve Act of 1913 |
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1. Bookmark question for later

Some analysts argue that the expense of SOX in both time and money has caused the number of public firms in the US to decrease.

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| TrueFalse |
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1. Bookmark question for later

Which of the following committees was created as a direct result of the Dodd Frank Act?

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| * + Financial Industry Regulatory Authority   + Monetary Control Committee   + Financial Stability Oversight Council   + Depository Institutions Deregulation Council   + Securities and Exchange Commission |
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1. Bookmark question for later

A prospectus is separate from the SEC filing.

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| TrueFalse |
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1. Bookmark question for later

What is the primary objective of the SEC?

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| * + To overwrite statutes that regulate markets   + To separate insurance offerings from equity offerings   + To make it difficult for corporations to make equity offerings   + To deregulate financial markets   + To protect investors by ensuring public firms provide adequate information |
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1. Bookmark question for later

Which of the following acts limited types of products a consumer bank could offer or hold, creating a wall between commercial banks and investment banks?

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| * + Depository Institutions Deregulation and Monetary Control Act of 1980   + Federal Reserve Act of 1913   + Glass-Steagall Banking Act of 1933   + Garn-St. Germain Act of 1982   + Bank Holding Company Act of 1956 |
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1. Bookmark question for later

Which of the following Acts loosened the regulation on types of products financial institutions could offer?

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| * + Glass-Steagall Banking Act of 1933   + Garn-St. Germain Act of 1982   + Bank Holding Company Act of 1956   + Federal Reserve Act of 1913   + Depository Institutions Deregulation and Monetary Control Act of 1980 |
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1. Bookmark question for later

The final price and number of shares can be changed as late as the morning of the offering.

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| TrueFalse |
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1. Bookmark question for later

The Dodd Frank Act loosens regulations for banks.

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| TrueFalse |
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1. Bookmark question for later

FINRA is a division of the federal government

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| TrueFalse |
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1. Bookmark question for later

What does a “safe harbor” to the 1933 Act provide?

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| * + Allows firms to sell private equity without registration with the SEC   + Restricts sale of shares to accredited investors only   + Defines accredited investors as those with a net worth greater than $1 million   + Defines accredited investors as those with an annual income of $200K/year or a combined annual income of $300k/year   + All of these choices |
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1. Bookmark question for later

Which of the following is NOT a provision of SOX:

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| * + Control of compensation for top management   + Approved/proper audits   + No retaliation against whistleblowers   + Information transparency   + Disclosure of off-balance sheet items |
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1. Bookmark question for later

Dodd-Frank regulates which segment of the U.S. economy?

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| * + Banking industry   + Fannie Mae and Freddie Mac (housing financing)   + Automobile industry   + Multilevel marketing industry |
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1. Bookmark question for later

The Securities and Exchange Commission (SEC) requires companies to do the following: (Choose two)

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| * + Regulate stock sales   + Register all public offerings.   + Prohibit foreign bribery   + Change CEOs on a regular basis.   + Regulate the money supply |
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1. Bookmark question for later

What does the Sarbanes-Oxley Act require companies to do?

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| * + Register all foreign sales.   + Make estimated tax payments.   + Have a board of directors.   + Have internal control audits. |
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1. Bookmark question for later

Financial Industry Regulatory Authority (FINRA) does the following: (Choose one)

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| * + Establishes Credit Unions   + Prosecutes corrupt stock brokers   + Regulates bond prices   + Prohibits foreign bribery by corporations   + Regulates hedge funds |

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