



Series 7 Best Practices

Kaplan Financial Education is proud to bring you our Best Practices Guide, created to help you pass your Series 7 securities licensing exam. We have prepared this important information to help you get a head start on your objective—becoming a General Securities Representative.

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**Financial
Education**



**KAPLAN
UNIVERSITY**

SCHOOL OF PROFESSIONAL
AND CONTINUING EDUCATION

Overview

General Securities Representative Exam

This license will allow you to sell securities products.

Exam Stats:

- Study time: 90–120 hours; 6–8 weeks
- Consists of 250 multiple-choice questions, plus 10 additional “pre-test” questions that are not scored or identified
- Testing time: 6 hours (2 sessions)
- Passing score: 72% or above

Some units that may pose a greater challenge for students:

- Unit 2: Debt Securities
- Unit 3: Municipal Securities
- Unit 4: Options
- Unit 15: Ethics, Recommendations, and Taxation

Pay special attention to the suitability concerns of each product discussed in the units of our License Exam Manual. This is an area FINRA is very concerned about and, therefore, will be a big part of the exam!

Some Words of Advice

- Do not become too overwhelmed or bogged down in any one unit. You don't want to lose sight of the finish line because you're having trouble with one hurdle. Keep moving forward. It's a steady pace that wins the race.
- After completing all units, concentrate on comprehensive exams covering all the material. Plan to spend at least one week testing prior to a scheduled class.
- You should complete at least 8 Simulated (Weighted Mock) Exams prior to class. Review your answers and rationales. Also, review your LEM as needed.
- Smaller exams can be built by selecting the **Custom Quiz** button in your QBank.

**We want you to pass your
securities exam the first time!**

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Primary Study Tools

License Exam Manual (LEM)

This comprehensive textbook covers all aspects of your exam. Short, focused paragraphs with numerous graphics and exercises will help you learn faster and retain critical information.

SecuritiesPro™ QBank

Test yourself with practice questions and solutions. Then, pinpoint problem areas by building customized exams based on length and topic of your choice. The QBank also lets you create online personal notes and bookmarks for future reference.

Simulated (Weighted Mock) Exams

These weighted exams contain questions pulled from the QBank to help condition you for your exam. The exams allow a review of answers and rationales and may be created an unlimited number of times.

Practice Exam

Designed to be a measurement tool, the Practice Exam provides a valuable means of evaluating your preparedness for passing the exam on the first try. This exam may only be taken once. There are no answers or rationales provided, although you are given a diagnostic report of your results.

Mastery Exam

Designed to be a final measurement tool, the Mastery Exam provides a valuable means of evaluating your preparedness for passing the exam on the first try. This exam may only be taken once. There are no answers or rationales provided, although you are given a diagnostic report of your results.

Instructor-Led Training and InstructorLink™

Kaplan offers live and OnDemand classes, as well as a unique combination of online instructional resources and interactive support tools designed to help you pass your exam.

Additional Study Tools

Study Calendar

This online calendar helps you create a series-specific study plan around your schedule and study preferences.

Comprehensive Class Notes

Our Class Notes book allows you to follow the content presented during class and take notes of the presentation.

Video Library

This video review tool consists of instructor-led reviews of core concepts and test topics. These sessions can be viewed anytime, anywhere, and as frequently as you like.

Exam Tips & Content Updates

When rules and regulations change, or we want to share new information regarding your exam, it will be posted here.

Corrections

Stay abreast of corrections made between new editions.

Next, we will take a closer look at some of your resources and how to approach your studies. Your first step is to read the **Introduction** found in your License Exam Manual. Many candidates skip this very important part of the process and, as a result, must work harder than those that take the time to read it!

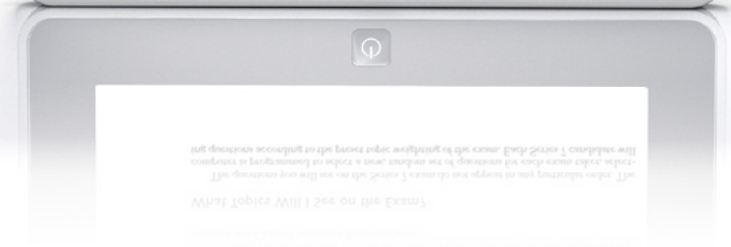
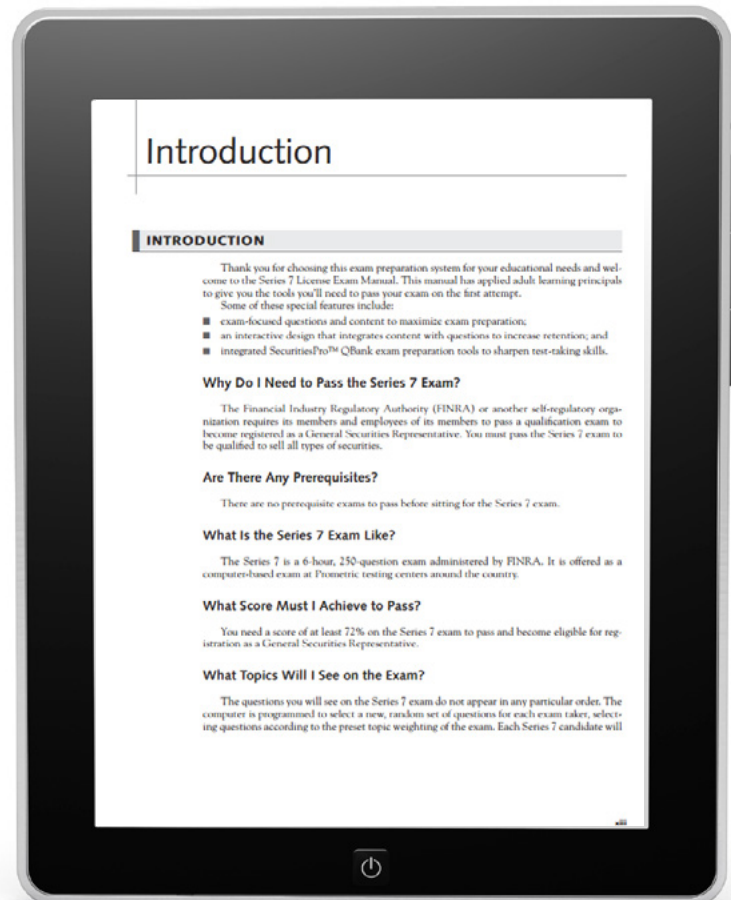
License Exam Manual (LEM)

The introduction found in your License Exam Manual will review the specifics of your exam.

- Prerequisites
- Timing of the exam
- Topics covered and weighting of your exam
- Important test-taking tips

Now you can really get studying!

- Read the LEM one unit at a time, thoroughly. Plan on spending 3–4 hours per unit to read and comprehend the LEM.
- Pay special attention to the **Test Topic Alerts** and **Take Notes**; this is where we identify information that is very likely to show up on your exam!
- Complete each **Quick Quiz** and **Unit Test**, reviewing the answers and rationales.
- The rationales of questions are provided to reinforce your comprehension of the material.



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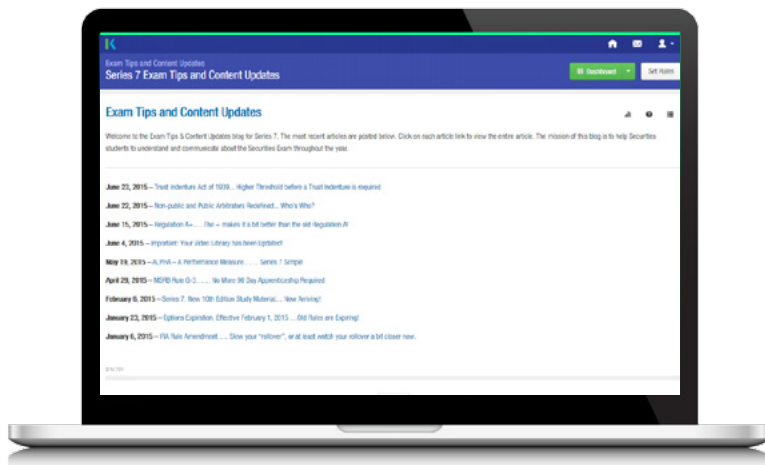
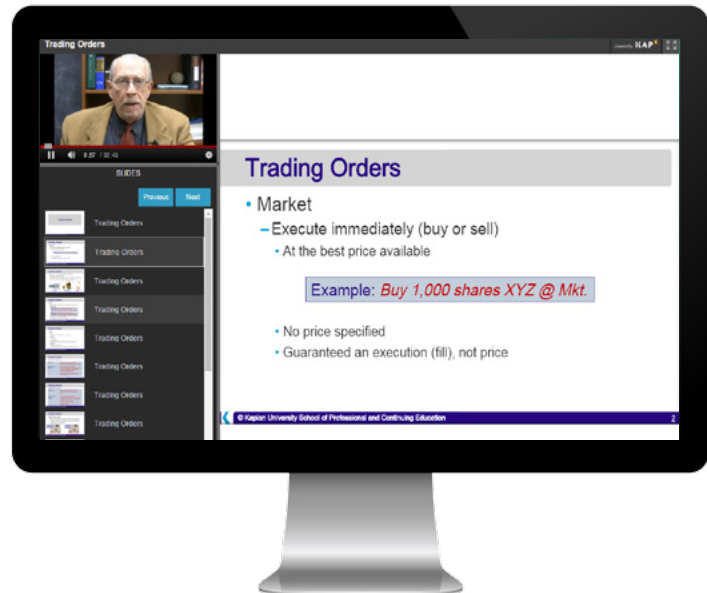
Video Library

This optional study tool is designed to provide additional clarification on securities topics you may be having difficulty understanding.

- Included in the Essential and Premium packages.
- Review the videos as many times as necessary to understand the more challenging concepts.

Remediation Tip

- The Video Library is an excellent tool to use after you have completed online unit exams to review any topics on which you did not score well.



Exam Tips & Content Updates

It is very important to monitor this site! It includes:

- Current changes in rules and regulations
- Exam tips and study strategies
- A detailed listing of changes to new editions

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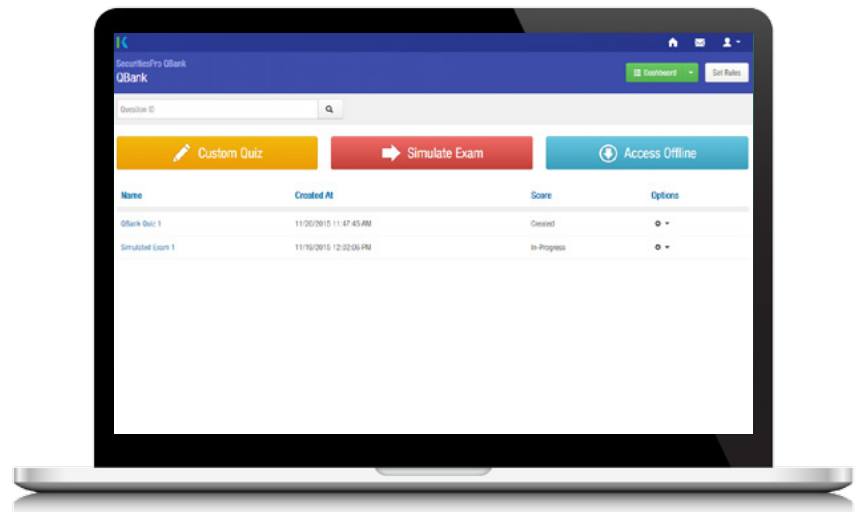
SecuritiesPro™ QBank

This may be the most important tool you have other than the LEM. Learning how to apply your knowledge to the questions you will see is critical to your success! Don't get discouraged if you don't score well right from the start. Scores in the mid-to-high 60s are good initially. Your scores will improve as you continue your studies.

- Build a minimum of two 40-question QBank exams for each unit. Periodically build 100-question comprehensive exams on the material studied. (Example: Units 1-4, 1-8, 1-12)
- Do not take short, repetitive unit exams, as this will lead to memorization versus comprehension. Exams are recommended to be at least 40 questions on each unit; build to more comprehensive exams.
- Gain a comfort level with each unit until you feel confident enough to move on to the next unit, but don't feel you need to master every topic before moving on.
- View rationales after each question initially and spend time studying each rationale in order to learn the concepts. Later, you will want to practice exam scenarios in which rationales are viewed at the end of each exam.

Remediation Tips

- Be sure to review each exam after completion. Spend time reviewing questions you missed and review the rationale to gain a better understanding of any mistakes. Use the reference number to locate additional information on the test topic in your LEM if needed.
- Open your Performance Tracker report and review any topics in the LEM and Video Library you feel you may not understand or are not scoring well on.
- Create additional tests as needed until you feel comfortable with the material, but avoid repetitive testing, which leads to memorization versus comprehension.



Practice and Mastery Exams

These exams are designed to closely replicate the true exam experience, both in terms of the degree of difficulty and topical coverage.

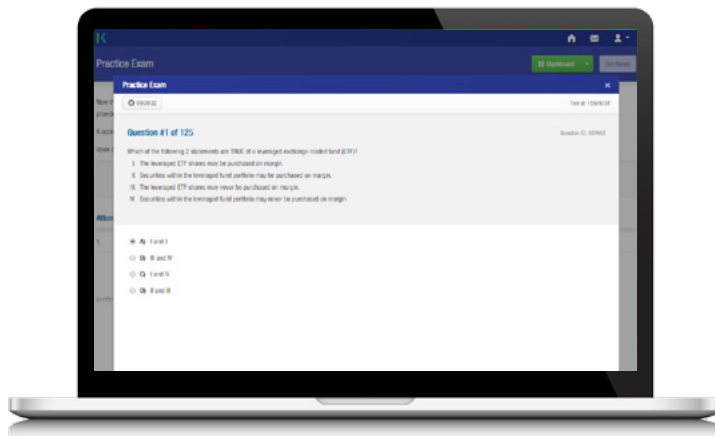
Validated as a test of preparedness, the Practice and Mastery Exams may be taken just once each. They provide scores and diagnostic feedback, but do not give answer explanations.

The Practice and Mastery Exams are sound indicators of potential actual exam scores—the better you do on these exams, the more likely you are to pass your actual exam.

1. Do not take the **Practice Exam** or **Mastery Exam** until you have read the entire LEM and completed all recommended unit exams.
2. Complete the **Practice Exam** after reading the LEM and prior to a class.
3. Attend class (if scheduled) and complete all homework assignments. The review class you complete is designed to tie any loose ends together so everything makes sense.
4. Within the next week:
 - Complete the **Mastery Exam**.
 - Continue to build QBank exams and Simulated (Weighted Mock) Exams, with a goal of consistently scoring in the 80s.
 - Review LEM as needed.
 - Review notes from class as needed.
5. Take your exam within 3–10 days of completing your class.

Remediation Tips

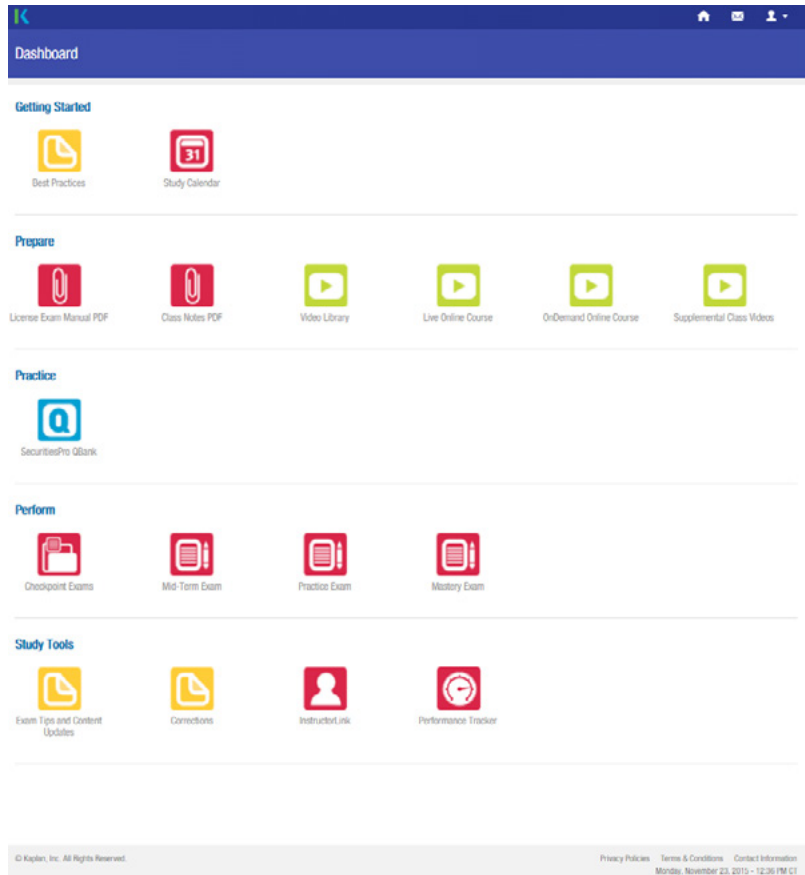
- Upon completion of the Practice and Mastery Exams, be sure to review your Performance Tracker report.
- Reread the portions of the LEM and watch videos from the Video Library, OnDemand Class, or Live Online Class that cover topics you did not score well on.
- Create 100-question practice exams from your QBank on areas of weakness. Review the questions and rationales at the end of each test.
- Continue to complete **Simulated (Weighted Mock) Exams** and review the questions and rationales at the end of each test.
- Your goal should be to comprehend the material and consistently score in the 80s.



QBank Guide step 1

Online QBank Review Questions: This robust, interactive database lets you test yourself with practice questions and solutions. After you've completed each unit in the LEM, go to the online QBank to test your knowledge and practice answering exam questions for that specific unit. To begin taking QBank exams, make each exam manageable by setting up approximately 40 questions.

- To access the QBank:
- Log in using your Kaplan Username and Password.
 - Click on **Series 7** to access your course dashboard.
 - Then click on **SecuritiesPro™ QBank** in the practice section of your dashboard.

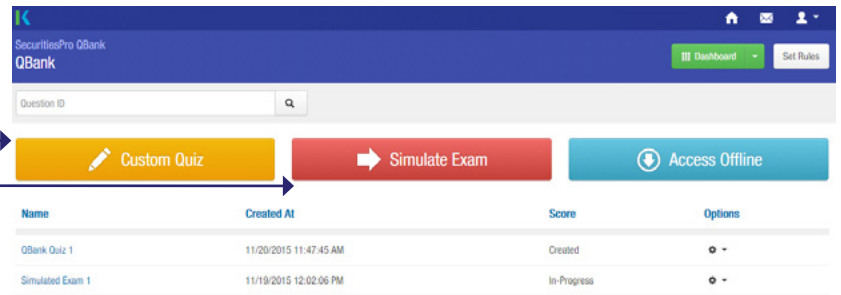


QBank Guide step 2

When you enter the QBank, you will have three options: **Custom Quiz**, **Simulate Exam**, or **Access Offline**. You will also be able to review previous exams taken, continue a current exam, or print them out from this page.

To create a new exam, click the **Custom Quiz** button.

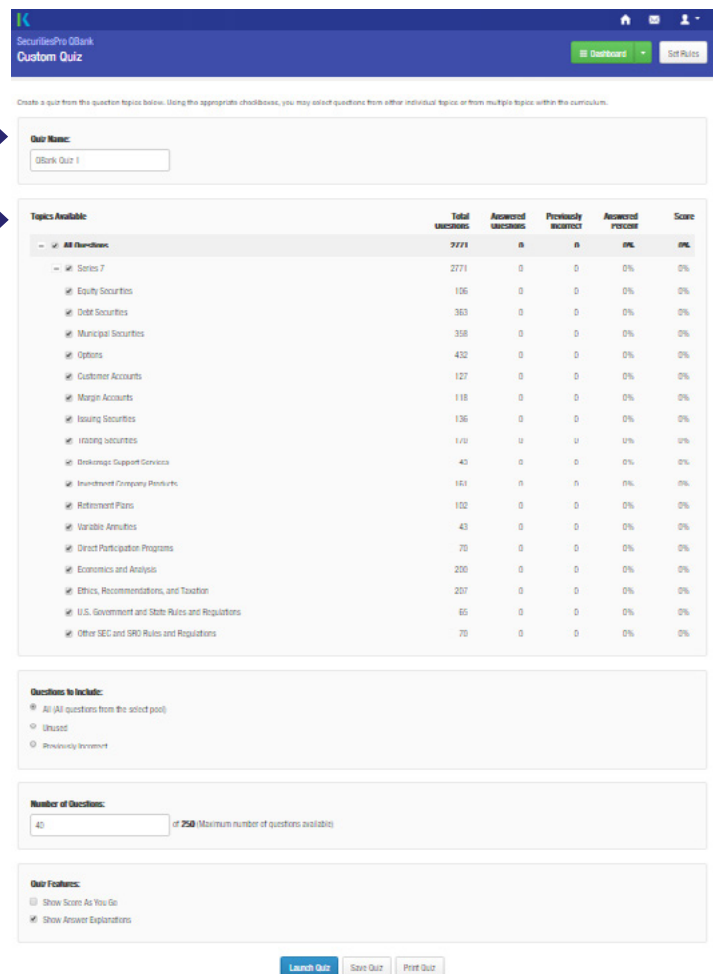
To simulate an exam, click the **Simulate Exam** button. This option is designed to replicate your actual exam and should be taken after completing all course work. Your study calendar will indicate when to complete this exam.



QBank Guide step 3

In the **Custom Quiz** option, each quiz is automatically named for you, but you do have the ability to rename each one if you prefer. We recommend clearly naming each quiz you take so you can keep track of your progress.
Example: Unit 1 Practice Test.

To build your quiz, click the topic areas you would like to be tested on.
You can take individual topic, unit, or comprehensive practice tests as many times as you want. If you would like to include every topic in your quiz, click the **All Questions** box.
We recommend taking QBank exams after completing each unit in your LEM. Include questions in your exams that are specific to the unit you just completed.



SecuritiesPro QBank
Custom Quiz

Create a quiz from the question topics below. Using the appropriate checkboxes, you may select questions from either individual topics or from multiple topics within the curriculum.

Quiz Name:
QBank Quiz 1

| Topics Available: | Total questions | Answered questions | Previously incorrect | Answered previous | Score |
|---|-----------------|--------------------|----------------------|-------------------|-------|
| <input checked="" type="checkbox"/> All Questions | 2771 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Series 7 | 2771 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Equity Securities | 196 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Debt Securities | 363 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Municipal Securities | 398 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Options | 432 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Customer Accounts | 127 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Margin Accounts | 118 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Issuing Securities | 136 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Issuing Securities | 170 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Desktop Support Services | 45 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Investment Company Products | 161 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Retirement Plans | 102 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Variable Annuities | 43 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Direct Participation Programs | 70 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Economics and Analysis | 200 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Ethics, Recommendations, and Taxation | 207 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> U.S. Government and State Rules and Regulations | 65 | 0 | 0 | 0% | 0% |
| <input checked="" type="checkbox"/> Other SEC and SRO Rules and Regulations | 70 | 0 | 0 | 0% | 0% |

Questions to include:
 All (All questions from the selected pool)
 Utilized
 Previously incorrect

Number of Questions:
 of 250 (Maximum number of questions available)

Quiz Features:
 Show Score As You Go
 Show Answer Explanations

Launch Quiz | Save Quiz | Print Quiz

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QBank Guide step 4

Choose the topics you would like included in your exam and then scroll down to select additional options below:

Recommendations:

Do not limit the question pool. Select **All** to include all questions in your exam.

Questions to Include:

- All (All questions from the select pool)
- Unused
- Previously Incorrect

Select 40 questions per exam initially.

Number of Questions:

of 250 (Maximum number of questions available)

Keep **Show Score As You Go** unchecked. Select **Show Answer Explanations**.

Quiz Features:

- Show Score As You Go
- Show Answer Explanations

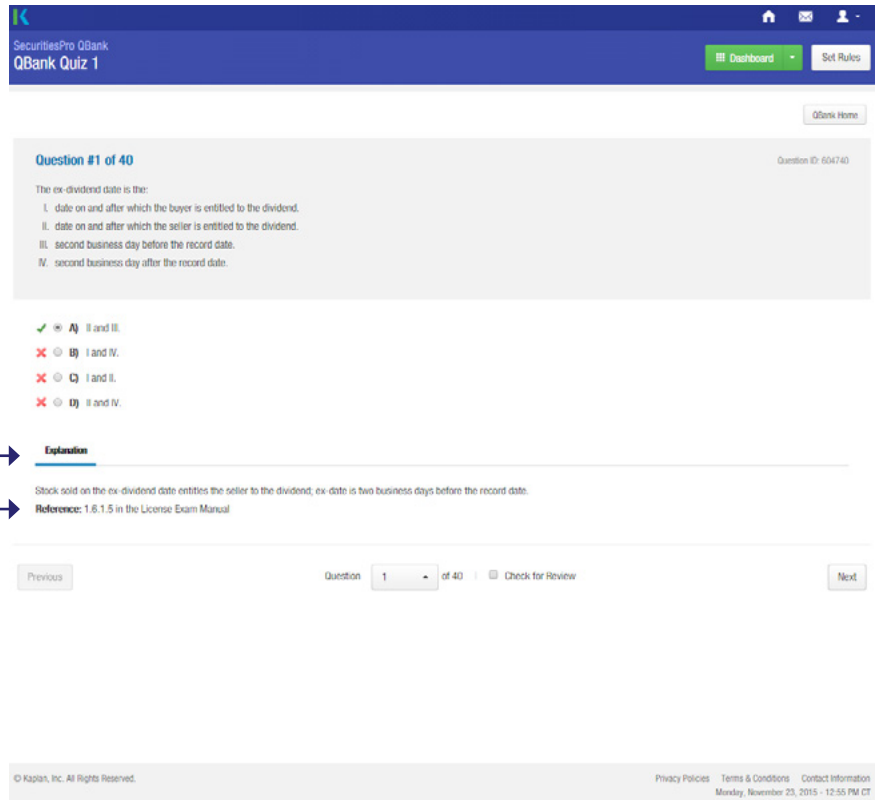
[Launch Quiz](#)
[Save Quiz](#)
[Print Quiz](#)

Select **Launch Quiz** to start your quiz, **Save Quiz** to save it for later, or **Print Quiz** to print it out.

Remediation Tips

- We recommend showing answer explanations after each question and spending time reading each explanation to ensure you comprehend the material versus memorizing the correct answer.

QBank Guide step 5



SecuritiesPro QBank
QBank Quiz 1

Dashboard | Set Rules

QBank Home

Question #1 of 40 Question ID: 604740

The ex-dividend date is the:

- date on and after which the buyer is entitled to the dividend.
- date on and after which the seller is entitled to the dividend.
- second business day before the record date.
- second business day after the record date.

A) II and III.
 B) I and IV.
 C) I and II.
 D) II and IV.

Explanation

Stock sold on the ex-dividend date entitles the seller to the dividend; ex-date is two business days before the record date.

Reference: 1.6.1.5 in the License Exam Manual

Previous | Question 1 of 40 | Check for Review | Next

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Monday, November 23, 2015 - 12:55 PM CT

The **Answer Explanation** selection provides a rationale after each answer.

Note: If you need more information, reference codes for the LEM are provided.

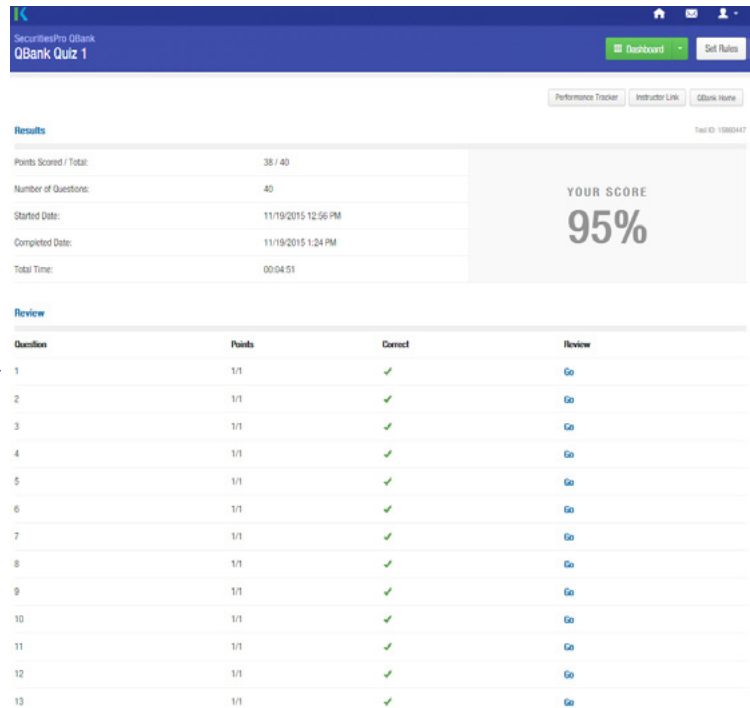
Remediation Tip

- As you read each rationale, take notes regarding topics you should review in the LEM or Video Library.

QBank Guide step 6

Practice test results can be reviewed immediately upon completion of an exam.

There is also a detailed view per question.



Results

Points Scored / Total: 38 / 40

Number of Questions: 40

Started Date: 11/19/2015 12:56 PM

Completed Date: 11/19/2015 1:24 PM

Total Time: 00:04:51

YOUR SCORE
95%

Review

| Question | Points | Correct | Review |
|----------|--------|---------|--------|
| 1 | 1/1 | ✓ | Go |
| 2 | 1/1 | ✓ | Go |
| 3 | 1/1 | ✓ | Go |
| 4 | 1/1 | ✓ | Go |
| 5 | 1/1 | ✓ | Go |
| 6 | 1/1 | ✓ | Go |
| 7 | 1/1 | ✓ | Go |
| 8 | 1/1 | ✓ | Go |
| 9 | 1/1 | ✓ | Go |
| 10 | 1/1 | ✓ | Go |
| 11 | 1/1 | ✓ | Go |
| 12 | 1/1 | ✓ | Go |
| 13 | 1/1 | ✓ | Go |

Test-Taking Tips

Read the Full Question

You cannot expect to answer a question correctly if you do not know what it is asking. Be sure to read the full question before answering it—questions are often written to trap people who assume too much.

Avoid Jumping to Conclusions and Watch for Hedge Clauses

Watch out for hedge clauses embedded in the question.

Examples of hedge clauses include the terms *if*, *not*, *all*, *none*, and *except*. In the case of *if* statements, the question can be answered correctly only by taking into account the qualifier. If you ignore the qualifier, you will likely not answer correctly.

Look for Key Words and Phrases

Look for words that are tip-offs to the situation presented. For example, if you see the word *prospectus* in the question, you know the question is about a new issue. Take time to identify the key words to answer this type of question correctly.

Interpret the Unfamiliar Question

Do not be surprised if some questions on the exam seem unfamiliar at first. If you have studied your material, you will have the information to answer all of the questions correctly. Very often, questions present information indirectly. You may have to interpret the meaning of certain elements before you can answer the question. Be aware that the exam will approach a concept from different angles.

Memorize Key Points

Reasoning and logic will help you answer many questions, but you will have to memorize a good deal of information.

Use Information from Prior Questions

Pay attention to all the questions! Sometimes, information found in one question will help you answer a different question.

Define What is Being Asked

Many questions supply so much information that you lose track of what is being asked. This is often the case in story problems. Learn to separate the story from the question. Take the time to identify what the question is asking. Of course, your ability to do so assumes you have studied sufficiently. There is no good method for correctly answering questions if you don't know the material.

Use a Calculator

Most of the questions requiring calculations are written so that any math needed is simple in nature and function. However, using a calculator is recommended to ensure that common math errors do not lead you to incorrect answers.

Beware of Changing Answers

If you are unsure of an answer, your first hunch is the one most likely to be correct. Do not change answers on the exam without good reason. In general, change an answer only if you discover that you did not read the question correctly, or if you find new or additional helpful information in another question.

Pace Yourself

Some people will finish the exam early, while some will not have time to finish. Watch the time carefully (your time remaining will be displayed on your computer screen) and pace yourself throughout the exam.

If you have any content questions along the way, just send us an email through our **Instructor Email Access**, located on your homepage. We are here to help!

In the event you need to contact our support or service teams:

- Call 888.394.2086
- Email Technical Support: kfeducation@kaplan.com
- Email Customer Service: ContactUS@kaplan.com

Good luck, and thank you for choosing Kaplan!