MSRB
Municipal Securities Rulemaking Board

Sample Questions
Municipal Advisor Representative Qualification Examination (Series 50)

December 2015

Sample Questions

The following questions are similar in format and content to questions on the Municipal Securities Rulemaking Board's Municipal Advisor Representative Qualification (Series 50) examination. The sample questions, however, are not intended to parallel either the level of difficulty or the subject coverage of the examination. The sample questions are only intended to assist candidates in preparing for the types of multiple-choice questions that will appear on the examination.

1. When analyzing the debt ratio of a city, which of the following obligations would be included in the overlapping debt?

   (A) Hospital facility revenue bonds
   (B) Single family housing bonds
   (C) Industrial development revenue bonds
   (D) Local school district bonds

2. Non-compliance with federal tax law requirements applicable to a tax-exempt bond transaction may result in which two of the following?

   I. Interest on the bonds is taxable for federal income taxes purposes as of the date of issuance of the bonds
   II. Interest on the bonds is taxable for federal income tax purposes as of the date of the IRS determination
   III. Additional arbitrage rebate penalties may be owed by the borrower
   IV. The borrower is prohibited from issuing tax-exempt debt for a period of five (5) years

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

3. An investor is likely to analyze all of the following information to determine whether the anticipated earnings of a project would support a municipal revenue bond issue EXCEPT:

   (A) Tax collection record
   (B) Additional bonds test
   (C) Demographic report
   (D) Feasibility study

4. Bond banks provide which two of the following advantages to issuers?

   I. Lower issuance costs
   II. Depository for an impoundment of issue debt payments
   III. Investment advice for issuers
   IV. Higher credit rating

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

5. Which two of the following would be advantages to an issuer of investing in U.S. Treasury securities rather than entering into guaranteed investment contracts (GICs)?

   I. Increased trading liquidity
   II. Reduced counterparty risk
   III. Negotiable maturity dates
   IV. Negotiable principal repayment schedules

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

ANSWERS: 1. (D). 2. (A) 3. (A) 4. (B) 5. (A)