

39. A Treasury 2022 gilt has a coupon of 8% payable half-yearly and it has a current price of £125. If £10,000 is invested into this gilt, what half-yearly gross income would be received?
- A. £320
  - B. £400
  - C. £640
  - D. £800

**Key option: B**

**Learning outcome: 5.1**

**Questions 40, 46, 47 and 55 have been replaced in the 2016/2017 LP2 guide.**

40. John holds £1,000 of 4% Treasury Gilt 2022. How will he receive his income payment(s)?
- A. £20 every 6 months.
  - B. £40 every 6 months.
  - C. £20 every 12 months.
  - D. £40 every 12 months.

**Key option: A**

**Learning outcome: 5.1**

46. Reena wishes to purchase £10,000 worth of shares in a company listed on the London Stock Exchange. How much Stamp Duty Reserve Tax, if any, will she need to pay in respect of this transaction?
- A. Nil.
  - B. £1
  - C. £50
  - D. £100

**Key option: C**

**Learning outcome: 5.1**

47. Preference shareholders have priority over ordinary shareholders
- A. for payment of dividends and on liquidation.
  - B. for payment of dividends but not on liquidation.
  - C. on liquidation but not for payment of dividends.
  - D. for neither payment of dividends nor on liquidation.

**Key option: A**

**Learning outcome: 5.1**

55. Shane earns £30,000 per annum and receives a gross dividend of £10,000 in the current tax year 2016/2017. He has no other income. How much tax will be charged on the dividend payment, if anything?
- A. Nil.
  - B. £375
  - C. £750
  - D. £3,250

**Key option: B**

**Learning outcome: 5.1**