

Preferred stock _____.

Answer: shareholders get paid after bond investors but before common stock investors in case of default

Preferred stock or bonds that can be exchanged for shares of common stock are called _____ securities.

Answer: convertible

The type of preferred stock that specifies that any dividends in arrears must be paid to the preferred stockholders before dividends can be restored to common stockholders is known as _____.

Answer: cumulative preferred stock