

_____ / 110 Points

Name: _____

Answer all questions to the best of your ability. All true/false questions are one point each, all multiple choice questions are two points each, all fill in the blank are one point per response, and correct short answer responses will earn up to two points each.

General Characteristics of Investments

17 points

1. True OR False? Real estate investments have a high amount of liquidity.
2. This investment option allows investors to diversify their money into a portfolio of various securities (stocks & bonds & other assets).

a. Retirement plan	c. Commodities
b. Mutual fund	d. NASDAQ
3. This investment option generally has the highest amount of risk which also means it generally has the highest return potential.

a. Stocks	c. Real Estate
b. Bonds	d. Retirement plan
4. An advantage to investing your money instead of putting into a bank account? _____

5. An advantage to saving your money instead of investing it? _____

6. True OR False? When investing in the stock market in real life, you are required to purchase a minimum of 10 shares of stock.
7. Which of the following is NOT a retirement plan?

a. 401k	c. AMEX
b. 403b	d. Roth IRA
8. True OR False? A good way to diversify money is to invest in one company.
9. If a person wants to invest in items like silver, wheat, sugar, or energy, they should put their money into this type of investment option. _____
10. True OR False? All investments have the same amount of risk.
11. Stocks OR Bonds? Risk is relatively low.
12. True OR False? Investment accounts have lower liquidity, overall, than savings accounts.

We Go Together Like Stocks and Bonds

19 points

13. Preferred or Common? This type of stock offers stockholders a fixed dividend.
14. Preferred or Common? This type of stock gives a stockholder a voting right.
15. This stock exchange is located on Wall Street in New York and is the largest and oldest stock exchange in the United States.
 - a. NYSE
 - b. AMEX
 - c. NASDAQ
 - d. Dow Jones Industrial Average
16. If a person buys 20 shares of stock that cost \$187.30 per share, the total investment is: \$ _____
17. What is the main reason a corporation sells stock or bonds? _____
18. Growth or Blue Chip? This stock represents a company that is strong, stable, and usually experiences steady profit over time.
19. This stock exchange is located in New York and was formerly known as the “Curb” because all stock trading was done outside on the sidewalk until they were able to move inside.
 - a. NYSE
 - b. AMEX
 - c. NASDAQ
 - d. Dow Jones Industrial Average
20. True OR False? A bear market means the market is experiencing an increase or growth.
21. True OR False? Investing in bonds is generally less risky than investing in stocks.
22. A person who owns stock can only make money through _____ and/or _____.
23. If you own 200 shares of stock that just paid a \$0.48 dividend, what is your payment? _____
24. AAA Bond OR D Bond: This bond is considered worthless or junk, a bad investment.
25. This stock exchange is the largest American electronic exchange.
 - a. AMEX
 - b. NASDAQ
 - c. S & P 500
 - d. NYSE
26. The Dow Jones Industrial Average includes companies from the top _____ American industries.
number
27. Bull OR Bear? This market is the ideal time to sell your stock.

All About Retirement Plans

12 points

28. Which type of retirement plan is specifically designed for public employees?
 a. 401k
 b. Traditional IRA
 c. Roth IRA
 d. 403b
29. What does IRA stand for? _____
30. If a retirement plan is tax deferred, when is tax paid on the account?
 a. Never. No tax has to be paid
 b. When the money is withdrawn
 c. When the account holder reaches retirement age
 d. When the money is invested
31. Which of the following retirement plans is NOT tax deferred?
 a. Roth IRA
 b. Traditional IRA
 c. 403b
 d. 401k
32. Which of the following retirement plans is offered through an employer and may include a ‘match’?
 a. Roth IRA
 b. Traditional IRA
 c. 403b
 d. 401k
33. True OR False? Retirements Plans, by design, have a high amount of liquidity.
34. What is a major disadvantage of taking money out of your plan before you retire?

Split What?

9 points

35. You own 100 shares of McDonald’s stock at \$36.00 per share when they experience a 2:1 split.
 a. How many shares do you own after the split? _____
 b. How much is each share worth after the split? _____
36. You own 30 shares of Nike stock at \$64.50 per share when they experience a 2:1 split.
 a. What is your TOTAL investment before the split? _____
 b. How many shares do you own after the split? _____
 c. What is your TOTAL investment after the split? _____
37. You own 30 shares of XYZ Corp stock at \$.0.70 per share when they experience a 1:10 reverse split.
 a. How many shares do you own after the reverse split? _____
 b. How much is each share worth after the reverse split? _____
 c. What is your TOTAL investment before the split? _____
 d. What is your TOTAL investment after the split? _____

A Little Bit O'Vocabulary

14points

38. How would you explain the word liquidity to someone? _____

39. Provide an example of two items that would be a commodity. _____
40. What is another word for return or capital? _____
41. Explain what a ticker symbol is. _____
42. Explain what diversification means. _____

43. How would you explain capital gain to someone? _____

44. NYSE or NASDAQ? Microsoft (MSFT), Starbucks (SBUX) and Netflix (NTFX).
45. NYSE or AMEX? AT&T (T), Citigroup (C), and Pandora (P).
46. Treasury Bond OR Corporate Bond? A bond that is sold by the federal government to raise money.

Reading a Stock Table

6 points

Ticker	Company Name	Sales (100s)	52-wk Hi	52-wk Low	Last	Change
BRK-A	Berkshire Hathaway Inc.	5	156,454.88	117,551.00	155,950.00	519.00
DIS	The Walt Disney Company	4,656	57.81	40.88	57.73	0.39
GOOG	Google Inc.	1,612	844.00	556.52	821.54	-3.77
MNST	Monster Beverage Corp.	1,220	83.96	39.99	47.13	0.04
WMT	Walmart Stores	5,200	77.60	57.18	73.22	-0.43

47. Which company listed in the chart has the highest sales volume? _____
48. Which company experienced the largest negative change in their stock price? _____
49. What is the difference between the 52-week high and low price for Google, Inc.? _____
50. What is the difference between the 52-week high and low price for Berkshire? _____
51. What is the total number of shares sold for Monster Beverages on this day? _____
52. Which company has the ticker symbol BRK-A? _____

The Great Depression Wasn't so Great...

9 points

53. True OR False? People in the 1920's were investing heavily in the stock market without any research into the companies they were investing in; they just wanted to get rich quick.
54. What was NOT happening in the United States right before the Great Depression?
- a. Prohibition (the illegal sale of alcohol)
 - b. Women had the right to vote
 - c. Soldiers from World War II were returning home
 - d. Americans were investing heavily in the stock market
55. Approximately how long did the Great Depression last?
- a. One year
 - b. A few months
 - c. 15-20 years
 - d. 5-10 years
56. What is the nickname given to the day the stock market crashed in 1929? _____ Tuesday
57. Explain why banks couldn't give people their money from their savings accounts.

58. What was the nickname given to the decade? The _____ 20's.

Mutual Funds are Marvelous

6 points

59. In the space below, explain mutual funds :: how they work (1), types of funds/levels of risk (3 pts), an advantages (1 pt), and a disadvantages (1 pt). Be specific!

I Want to Invest in Commodities!

8 points

60. This type of commodity option allows investors to create a portfolio of commodity funds – giving them the opportunity for diversification.
- a. Futures Contract
 - b. Exchange Traded Fund
 - c. Commodity Stock
 - d. none of the above
61. This type of commodity option allows investors to actually invest in the company that is producing the raw material instead of investing in the raw material itself.
- a. Futures Contract
 - b. Exchange Traded Fund
 - c. Commodity Stock
 - d. none of the above
62. This type of commodity option allows investors to invest in an item that has not been produced or harvested yet.
- a. Futures Contract
 - b. Exchange Traded Fund
 - c. Commodity Stock
 - d. none of the above
63. Energy OR Soft (Perishable) Commodity? Coffee, sugar, and cotton.
64. Metal OR Energy? Aluminum and silver.

Buy Me a House

4 points

65. Besides selling for a profit, what is one advantage of investing in real estate? _____
- _____
66. Besides the possibility of losing money on the sale, what is one disadvantage of investing in real estate? _____
- _____

A Few More Calculations!

6 points

67. What is your total NET GAIN if you purchase 40 shares of stock for \$125.50 and sell those same 40 shares for \$129.75? _____
68. What is your total investment if you purchase 208 shares of stock for \$18.40 per share? _____
69. What is your total NET LOSS if you purchase 180 shares of stock for \$67.80 and you sell those same 180 shares for \$64.55? _____
70. In a 1:10 reverse split, if you start with 350 shares of stock, how many do you end up with? _____
71. In a 2:1 stock split, if your starting share price is \$258.50 each, how much is it worth after? _____
72. If you are paid an ANNUAL dividend of \$1.00, how much is each quarterly dividend? _____