

## Before You Invest Pre-Test (ES)

1. A company is a business that sells products or provides services to make a(n)
  - a. loss
  - b. profit
  - c. investment.
2. Corporations can be private or publicly-owned.
  - a. True
  - b. False
3. Pepsico is a \_\_\_\_\_ company that sells \_\_\_\_\_ like chips, soft drinks, and juices.
  - a. parent, products
  - b. brand, subsidiaries
  - c. small, stock
4. When you buy a share of stock in a public company, you become a \_\_\_\_\_ of the company.
  - a. borrower
  - b. customer
  - c. part-owner
5. Patrick bought 10 shares of stock in Mattel Corporation for \$12.00 per share. Two years later he sold the 10 shares for \$15.00 per share. Patrick made a \_\_\_\_\_.
  - a. profit
  - b. loss
  - c. debt
6. The letters that identify a stock for investors is called the
  - a. nickname.
  - b. ticker symbol.
  - c. abbreviation.
7. A \_\_\_\_\_ investor is one who doesn't like to take risks.
  - a. conservative
  - b. moderate
  - c. speculative
8. All stocks must pay dividends.
  - a. True
  - b. False



9. When a company “goes public”, what does it do?
  - a. issues stock for investors
  - b. invites shareholders to vote
  - c. receives money from the government
  
10. If a company is a subsidiary, it:
  - a. belongs to a larger company
  - b. is new to the stock market
  - c. doesn't have shareholders
  
11. The chance of losing all or part of your investment is called:
  - a. risk
  - b. margin
  - c. option
  
12. Not all companies publicly trade stock.
  - a. True
  - b. False
  
14. A partnership, corporation and proprietorship are forms of:
  - a. stock ownership
  - b. companies
  - c. exchanges
  
15. In a stock quote, volume means:
  - a. number of dividends paid
  - b. total number of shares traded
  - c. how many shareholders own the stock
  
16. If you bought 200 shares of YUMMY at \$45 per share and sold YUMMY for \$48 per share, how much money did you make?
  - a. \$460
  - b. \$300
  - c. \$600
  
17. Doritos, M&Ms and Mountain Dew are examples of:
  - a. companies
  - b. brands
  - c. stocks
  
18. When an investor receives a dividend, that money comes from:
  - a. stock splits
  - b. company profits
  - c. the stock exchange



19. The NYSE, AMEX and NASDAQ are:
  - a. technology stocks
  - b. stock exchanges
  - c. mutual funds
  
20. Only rich people invest in the stock market.
  - a. True
  - b. False

## Before You Invest Pre-Test (ES) Answer Key

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