

## Tracking Your Investment Pre-test

1. Good advice to an investor is to always sell when your stock value drops.
  - a. True
  - b. False
  
2. If more people want to buy a stock than want to sell it, then that stock
  - a. price will go up
  - b. price will go down
  - c. will not be available for all investors
  
3. Investors have three options: to buy, sell, or \_\_\_\_\_ stock in their portfolio.
  - a. split
  - b. hold
  - c. compound
  
4. The advice to “buy low and sell high” refers to:
  - a. stocks
  - b. dividends
  - c. company profit
  
5. If the “Kids are Us” company reports that it will have to stop making its best-selling toy because it breaks too easily, this will likely cause its stock to
  - a. go up
  - b. go down
  - c. delist.
  
6. A company’s annual report can often be found on the Internet.
  - a. True
  - b. False
  
7. \_\_\_\_\_ is the total earnings for a company after all expenses and taxes have been paid by a corporation.
  - a. Net income
  - b. Dividends
  - c. Cost of living
  
8. AT&T’s annual report will tell investors what the company does and
  - a. what its stock price will be next year.
  - b. how its competitors are doing.
  - c. its earnings.



9. If a bad event happens to Delta Airlines, it can affect other airline companies.
  - a. True
  - b. False
  
10. Investing in the stock market can be risky.
  - a. True
  - b. False
  
11. When a company's products suddenly become more popular with consumers, it's stock value is likely to
  - a. go up
  - b. go down
  - c. be too expensive for investors.
  
12. You should never hold any stock for more than ten years.
  - a. True
  - b. False
  
13. When you research, you should compare a company with
  - a. other companies with similar earnings
  - b. other companies in the same industry
  - c. other companies with the same stock price
  
14. Consumers wants and needs cause stock prices to go up or down.
  - a. True
  - b. False
  
15. Stock prices will rise when
  - a. companies are increasing dividends.
  - b. there are more buyers than sellers.
  - c. the country goes to war.
  
16. Current events can have an affect on the stock market.
  - a. True
  - b. False
  
17. You can find Thursday's stock closing price for Microsoft in Friday's newspaper.
  - a. True
  - b. False
  
18. Abe bought 20 shares of CASA stock for \$15 per share. He later sold his 20 shares of CASA stock at \$8 per share. Abe had a
  - a. loss of \$160
  - b. gain of \$160
  - c. loss of \$140



19. Good advice to investors is to
- a. buy high, sell low.
  - b. buy low, sell high.
  - c. buy often, sell never.
20. Using mathematics, you can determine the change in a stock price.
- a. True
  - b. False

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THE  
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