

Tracking Your Investments Post-Test (MS) Answer Key

1. A unit of ownership in a company is called a
 - a. dividend
 - b. share
 - c. bond
2. Investors can do all of these but one:
 - a. pay and bankrupt
 - b. buy and hold
 - c. sell and liquidate
3. People buy and sell with one another in
 - a. an enterprise
 - b. a market
 - c. a monopoly
4. The evening news can influence the stock market.
 - a. True
 - b. False
5. Stock prices rise because:
 - a. companies are increasing dividends
 - b. there are more buyers than sellers
 - c. the government is raising the interest rate
6. U.S. stock prices can not be affected by international events.
 - a. True
 - b. False
7. A company's annual report will answer all of these questions except one. Which one?
 - a. Exactly how much money you will have for retirement.
 - b. What product or service the company provides.
 - c. What is the company's profit?
8. Shawna wants to pick stocks for her team that pay dividends. She wants
 - a. IPOs
 - b. penny stocks
 - c. income stocks
9. Using the Rule of 72, you can determine the change in a stock price.
 - a. True
 - b. False
10. A company's revenue is its
 - a. cost of doing business
 - b. amount owed to the government
 - c. total income received.

11. The COLA company announces their new Energy Drink. This news will have no affect on the price of COLA stock.
 - a. True
 - b. False

12. You can use the Internet to find a stock analyst's advice about whether to buy, sell, or hold a stock.
 - a. True
 - b. False

13. Trevon owns Merger Medical stock. If most of the companies in the medical industry are doing much better than Merger Medical, Bert might want to buy more Merger Medical stock.
 - a. True
 - b. False

14. Stock indices, like the DOW, or S&P 500 are often indicators of how the stock market is performing overall.
 - a. True
 - b. False

15. _____ is the amount of income received after all expenses and taxes have been deducted.
 - a. Net income
 - b. Gross income
 - c. Retained earnings

16. The recent spike in oil prices has affected stock prices in the oil industry and in other industries.
 - a. True
 - b. False

17. If more people want to sell a stock than buy it then the stock value will
 - a. go up
 - b. go down
 - c. stay the same

18. To help you decide if the Case Computer Company is a good investment, you should compare it to
 - a. other computer companies
 - b. other companies with the same number of employees
 - c. other companies with similar profits

19. Publicly-held companies are required to announce their earnings to the public each quarter.
 - a. True
 - b. False



20. Which of the following would most likely NOT have an effect on the stock market today?
- a. investor's attitudes
 - b. supply and demand
 - c. last year's news

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