

Tracking Your Investments Pre-Test (MS)

1. A company's revenue is its
 - a. cost of doing business
 - b. amount owed to the government
 - c. total income received.
2. The evening news can affect the stock market.
 - a. True
 - b. False
3. A unit of ownership in a company is called a
 - a. mutual fund
 - b. share
 - c. company portfolio
4. Investors can do all of these but one:
 - a. buy and hold
 - b. sell and liquidate
 - c. pay and bankrupt
5. Using mathematics, you can determine the change in a stock price.
 - a. True
 - b. False
6. People buy and sell with one another in
 - a. an enterprise
 - b. a market
 - c. a monopoly
7. Hurricane Katrina greatly affected which of these industries?
 - a. Lumber
 - b. Banking
 - c. Technology
8. A company's annual report will answer all of these questions except one. Which one?
 - a. What does the company produce?
 - b. What is the company's revenue?
 - c. How much money you will make in 5, 10, and 25 years?
9. Shawna wants to pick stocks for her team that pay dividends. She wants
 - a. IPOs
 - b. income stocks
 - c. penny stocks
10. 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
11. U.S. stock prices cannot be affected by international events.
 - 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. Bert owns Earnest Electric stock. If most of the companies in the electric industry are doing much better than Earnest Electric, Bert might want to buy more Earnest Electric stock.
 - a. True
 - b. False

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

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

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

17. If the POP cola company reports that it will be laying off 30% of its workforce, this news will have no effect on POP stock.
 - a. True
 - b. False

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

19. Which of the following would most likely NOT have an effect on the behavior of the current stock market?
 - a. economic recession
 - b. supply and demand
 - c. last year's news

20. Stock prices rise because:
 - a. companies are increasing dividends
 - b. there are more buyers than sellers
 - c. the government is raising the interest rate

Tracking Your Investments Pre-Test (MS) Answer Key

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