STOCK MARKET GAME™

# Selecting Your Investments Pre-Test (MS)

1. Which of these is not a saving or investing opportunity?
    a. certificate of deposit
    b. mutual fund
    c. credit card

2. _____ is a group of companies producing a similar product or service.
    a. a franchise
    b. an industry
    c. a competitor

3. Which of the following is NOT a stock index?
    a. Yahoo
    b. S&P500
    c. Dow Jones Industrial Average

4. Jenny's investment portfolio includes stocks, mutual funds, and bonds to lessen her risk of losing money. This is an example of
    a. compounding
    b. risk assessment
    c. diversification

5. Communications, Railroads, and Sporting goods are examples of
    a. markets
    b. industries
    c. monopolies

6 The Dow Jones Industrial Average is followed by investors to tell them
    a. which stocks are performing best
    b. whether they should diversify their portfolios
    c. the general health of the stock market

7. A mutual fund with a sales charge is called _____
    a. a load fund
    b a no load fund
    c. a 12b-1 fund

8. _____ are issued by corporations and by governments to raise funds.
    a. Stocks
    b. Bonds
    c. Mutual Funds

9. A sector is a diversified group of companies.
    a. True
    b. False

10. The NAV is the
    a. net asset value of a stock
    b. the net asset value of a mutual fund.
    c. the net asset value of a company

11. Which of the following team portfolios is the most diversified?

    a. Amy's team with 100 shares of Delta Airlines, 80 shares of Peabody Energy, 70 shares of Papa John's Pizza
    b. Marcus's team with 100 shares of Sara Lee, 35 shares of Kraft, 150 shares of Kellogg.
    c. Janna's team with 100 shares of Apple, 100 shares of Microsoft, 100 shares of Dell computers

12. Mutual fund symbols are different from stock ticker symbols in that they have a total of five letters and end in the letter ____.
    a. Y
    b. M
    c. X

13. A _____ investor is one who is not willing to take much risk in their investments.
    a. speculative
    b. conservative
    c. moderate

14. Mutual funds can only hold stocks and bonds.
    a. True
    b. False

15. A diversified stock portfolio is most like
    a. a bag of groceries
    b. two scoops of vanilla ice cream on a cone.
    c. a six pack of Coke

16. Michael is willing to take _____ risk so he can get _____ return on his investment.
    a. more, greater
    b. less, greater
    c. more, less

17. Darryl invested all of his money in airline stocks. His broker advised him to invest in companies in several different industries which will _____ his portfolio.
    a. marginalize
    b. diversify
    c. liquidate

18. The benefit of mutual funds is that they are managed by professionals and they
    a. help to diversify your portfolio
    b. guarantee a profit
    c. both a and b

19. When researching stock and mutual fund data, you can find
    a. more information on the Internet
    b. more information in the newspaper
    c. the same information.

20. When mutual fund investors want to sell their fund shares, they sell them
    a. back to the fund
    b. to the stock exchange
    c. to brokers

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STOCK MARKET GAME™

21. The "price of a share" is to a stock as the _____ is to a mutual fund.
    a. load
    b. net asset value
    c. equity value

22. A person's risk tolerance is based on factors like financial stability of the investor, amount of time before the invested funds are needed for other purposes, and _____
    a. occupation of the investor
    b. age of the investor
    c. investor's ability to repay debt

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# Answer Key

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