

Quiz: The Stock Market

Question 1a of 10 (2 Investing in the stock market 226130)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following best describes the purpose of making an investment?

Table with 2 columns: Choice, Feedback. Option B: To use money to make more money. Feedback: Correct! Investments use money to make a profit by providing that money to a profit-making business.

Global Incorrect Feedback
The correct answer is: To use money to make more money. Investments use money to make a profit by providing that money to a profit-making business.

Question 1b of 10 (2 Investing in the stock market 226131)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following is an example of an investment?

Table with 2 columns: Choice, Feedback. Option C: Buying shares in a company. Feedback: Correct! When a person buys shares in a company, they are investing in the company's activities in hopes of making a profit.

Global Incorrect Feedback
The correct answer is: Buying shares in a company. When a person buys shares in a company, they are investing in the company's activities in hopes of making a profit.

Question 1c of 10 (2 Investing in the stock market 226132)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following accurately describes how an investment is made?

Table with 2 columns: Choice, Feedback. Option A: Putting money into an asset. Feedback: Correct! By putting money into an asset, investors hope to make a profit as the asset grows.

Global Incorrect Feedback
The correct answer is: putting money into an asset. By putting money into an asset, investors hope to make a profit as the asset grows.

Question 2a of 10 (1 Investing in the stock market 226134)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following is a stockholder's share of a company's profits?

Table with 2 columns: Choice, Feedback. Option D: Dividends. Feedback: Correct! A dividend is paid on each share of stock based on the company's overall profits.

Global Incorrect Feedback
The correct answer is: Dividends. A dividend is paid on each share of stock based on the company's overall profits.

Question 2b of 10 (1 Investing in the stock market 226135)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following best describes a dividend?

Table with 2 columns: Choice, Feedback. Option B: A share of a company's profit paid to each stockholder. Feedback: Correct! A dividend is paid on each share of stock based on the company's overall profits.

Global Incorrect Feedback
The correct answer is: A share of a company's profit paid to each stockholder. A dividend is paid on each share of stock based on the company's overall profits.

Question 2c of 10 (1 Investing in the stock market 226136)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following accurately describes a capital gain?

Table with 2 columns: Choice, Feedback. Option A: An increase in the value of an investment. Feedback: Correct! When someone's investment increases, they realize a capital gain.

Global Incorrect Feedback
The correct answer is: An increase in the value of an investment. When someone's investment increases, they realize a capital gain.

Question 3a of 10 (2 Investing in the stock market 226137)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following most accurately describes one of the powers of stockholders?

Table with 2 columns: Choice, Feedback. Option C: Stockholders can sell their shares in the company at any time. Feedback: Correct! Stockholders don't have much direct power over the operations of a company, but they can sell their share of ownership at will.

Global Incorrect Feedback
The correct answer is: stockholders can sell their shares in the company at any time. Stockholders don't have much direct power over the operations of a company, but they can sell their share of ownership at will.

Question 3b of 10 (2 Investing in the stock market 226138)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following most accurately states one of the risks of being a stockholder?

Table with 2 columns: Choice, Feedback. Option D: Stockholders aren't guaranteed a return on their investment. Feedback: Correct! Stockholders only get a return on their investment if the company makes a profit or the price of the stock goes up.

Global Incorrect Feedback
The correct answer is: Stockholders aren't guaranteed a return on their investment. Stockholders only get a return on their investment if the company makes a profit or the price of the stock goes up.

Question 3c of 10 (2 Investing in the stock market 226139)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following represents the most direct power that stockholders have over the operations of a company?

Table with 2 columns: Choice, Feedback. Option B: Stockholders can vote for the members of the board of directors. Feedback: Correct! Although stockholders can sell their shares if they're not pleased with the way the company is run, their more direct power is over the membership of the board of directors, which runs the company on a daily basis.

Global Incorrect Feedback
The correct answer is: Stockholders can vote for the members of the board of directors. Although stockholders can sell their shares if they're not pleased with the way the company is run, their more direct power is over the membership of the board of directors, which runs the company on a daily basis.

Question 4a of 10 (3 Stock offering 226140)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following is not a disadvantage of offering the sale of shares in a company?

Table with 2 columns: Choice, Feedback. Option B: The company can increase its capital without going into debt. Feedback: Correct! By selling stock, a company can raise money without having to take a loan.

Global Incorrect Feedback
The correct answer is: The company can increase its capital without going into debt. By selling stock, a company can raise money without having to take a loan.

Question 4b of 10 (3 Stock offering 226141)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following is an advantage a company enjoys by offering shares or sale in a stock market?

Table with 2 columns: Choice, Feedback. Option C: The company can increase its capital without going into debt. Feedback: Correct! By selling stock, a company can raise money without having to take a loan.

Global Incorrect Feedback
The correct answer is: The company can increase its capital without going into debt. By selling stock, a company can raise money without having to take a loan.

Question 4c of 10 (3 Stock offering 226142)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following is one of the requirements that a company must meet when it begins to sell shares in a stock market?

Table with 2 columns: Choice, Feedback. Option B: The company must disclose details about its finances. Feedback: Correct! A publicly traded company is required to make financial information available to the public so that informed stock-buying decisions can be made.

Global Incorrect Feedback
The correct answer is: The company must disclose details about its finances. A publicly traded company is required to make financial information available to the public so that informed stock-buying decisions can be made.

Question 5a of 10 (1 Stock offering 226143)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following most accurately describes the difference between common stock and preferred stock?

Table with 2 columns: Choice, Feedback. Option C: Preferred stock pays out earnings at fixed, regular dividends. Feedback: Correct! The owners of preferred stock receive guaranteed dividend payments while common stock owners get dividends that vary from quarter to quarter.

Global Incorrect Feedback
The correct answer is: Preferred stock pays out earnings at fixed, regular dividends. The owners of a preferred stock receive guaranteed dividend payments while common stock owners get dividends that vary from quarter to quarter.

Question 5b of 10 (1 Stock offering 226144)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following accurately describes how market capitalization is determined?

Table with 2 columns: Choice, Feedback. Option A: The number of shares is multiplied by the price of each share. Feedback: Correct! Market capitalization is the stock market value of the company.

Global Incorrect Feedback
The correct answer is: The number of shares is multiplied by the price of each share. Market capitalization is the stock market value of the company.

Question 5c of 10 (1 Stock offering 226145)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following has the highest level of security?

Table with 2 columns: Choice, Feedback. Option D: The ownership of preferred stock. Feedback: Correct! Companies with preferred stock are very secure investments.

Global Incorrect Feedback
The correct answer is: The ownership of preferred stock. Companies with preferred stock are very secure investments.

Question 6a of 10 (1 Market trends 226146)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each term below with its corresponding stock market condition.

Table with 2 columns: Choice Text, Correct Match, Match Text. A: A crash, B: Stock prices are higher than their real value. I: Bull market, A: There's a major decrease in stock prices. II: Bubble market, C: There's a general upward trend in stock prices.

Global Incorrect Feedback
The correct answers are: A crash: There's a major decrease in stock prices; A bubble: Stock prices are higher than their real value; Bull market: There's a general upward trend in stock prices.

Question 6b of 10 (1 Market trends 226147)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each term below with its correct definition.

Table with 2 columns: Choice Text, Correct Match, Match Text. A: A crash, A: A major decrease in stock prices. I: Bull market, C: A general upward trend in stock prices. II: Bubble market, B: A general downward trend in stock prices.

Global Incorrect Feedback
The correct answers are: A crash: A major decrease in stock prices; Bull market: A general upward trend in stock prices; Bubble market: A general downward trend in stock prices.

Question 6c of 10 (1 Market trends 226148)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each term below with its correct definition.

Table with 2 columns: Choice Text, Correct Match, Match Text. A: A Bull market, A: Stock prices are higher than their real value. I: Bull market, C: A general upward trend in stock prices. II: Bear market, B: A general upward trend in stock prices.

Global Incorrect Feedback
The correct answers are: A bubble: Stock prices are higher than their real value; Bull market: A general upward trend in stock prices; Bear market: A general downward trend in stock prices.

Question 7a of 10 (2 Investing in the stock market 226149)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following most accurately describes the difference between a discount broker and a full-service broker?

Table with 2 columns: Choice, Feedback. Option C: Discount brokers don't give investment advice or do stock market analysis. Feedback: Correct! Discount brokers often charge less because all they do is handle buying and selling.

Global Incorrect Feedback
The correct answer is: Discount brokers don't give investment advice or do stock market analysis. Discount brokers often charge less because all they do is handle buying and selling.

Question 7b of 10 (2 Investing in the stock market 226150)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following accurately describes what makes a full-service broker a full-service?

Table with 2 columns: Choice, Feedback. Option C: Full-service brokers provide advice in addition to buying and selling stocks. Feedback: Correct! Full-service brokers often charge more because they do stock market analysis in order to be able to advise their clients on good stock purchases.

Global Incorrect Feedback
The correct answer is: Full-service brokers provide advice in addition to buying and selling stocks. Full-service brokers often charge more because they do stock market analysis in order to be able to advise their clients on good stock purchases.

Question 7c of 10 (2 Investing in the stock market 226151)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following most accurately describes the difference between an over-the-counter market and a centralized exchange place?

Table with 2 columns: Choice, Feedback. Option D: An over-the-counter market does not take place in a centralized exchange place. Feedback: Correct! Over-the-counter markets use a network of computers rather than a centralized market.

Global Incorrect Feedback
The correct answer is: An over-the-counter market does not take place in a centralized exchange place. Over-the-counter markets use a network of computers rather than a centralized market.

Question 8a of 10 (2 Investing in the stock market 226152)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following statements best describes how investors behave when engaged in socially responsible investing?

Table with 2 columns: Choice, Feedback. Option B: They invest in companies with a business model and social mission that they support. Feedback: Correct! Individual investors decide what they think is socially responsible, but they consider the company's practices when they make decisions.

Global Incorrect Feedback
The correct answer is: They invest in companies with a business model and social mission that they support. Individual investors decide what they think is socially responsible, but they consider the company's practices when they make decisions.

Question 8b of 10 (2 Investing in the stock market 226153)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which of the following best describes how investors behave when they support are engaged in which of the following?

Table with 2 columns: Choice, Feedback. Option A: Socially responsible investing. Feedback: Correct! Individual investors decide what they think is socially responsible, but they consider the company's practices when they make decisions.

Global Incorrect Feedback
The correct answer is: Socially responsible investing. Individual investors decide what they think is socially responsible, but they consider the company's practices when they make decisions.

Question 8c of 10 (2 Investing in the stock market 226154)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of the following is not a goal that an investor could be pursuing when selecting stocks to buy?

Table with 2 columns: Choice, Feedback. Option C: Increasing a company's market capitalization. Feedback: Correct! Investors can't singlehandedly increase the market value of a company.

Global Incorrect Feedback
The correct answer is: Increasing a company's market capitalization. A company's fundamentals are what make it a strong performer in the business world.

Question 9a of 10 (1 Market trends 226155)

Maximum Attempts: 1
Question Type: Text Fill In Blank
Maximum Score: 1

Is Case Sensitive: Yes
Correct Answer: bull
Question: _____ market is when there's a rise or expected rise in stock prices across the entire stock market.

Table with 2 columns: Choice, Feedback. Option B: Bull market. Feedback: Correct! Correct! Correct! The correct answer is: bull.

Question 9b of 10 (1 Market trends 226156)

Maximum Attempts: 1
Question Type: Text Fill In Blank
Maximum Score: 1

Is Case Sensitive: Yes
Correct Answer: bear
Question: _____ market is when there's a decline or expected decline in stock prices across the entire stock market.

Table with 2 columns: Choice, Feedback. Option A: Bear market. Feedback: Correct! Correct! Correct! The correct answer is: bear.

Question 9c of 10 (1 Market trends 226157)

Maximum Attempts: 1
Question Type: Text Fill In Blank
Maximum Score: 1

Is Case Sensitive: Yes
Correct Answer: herd
Question: Many market trends are intensified by a _____ instinct among investors.

Table with 2 columns: Choice, Feedback. Option B: Herd. Feedback: Correct! Correct! Correct! The correct answer is: herd.

Question 10a of 10 (1 Market trends 226159)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which kind of stock market analysis focuses on overall trends in the market?

Table with 2 columns: Choice, Feedback. Option D: Technical analysis. Feedback: Correct! Technical analysis places the value of a particular stock in the context of the entire market.

Global Incorrect Feedback
The correct answer is: Technical analysis. Technical analysis places the value of a particular stock in the context of the entire market.

Question 10b of 10 (1 Market trends 226160)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 1

Question: Which kind of stock market analysis focuses on the a company's traits such as revenues and earnings per share?

Table with 2 columns: Choice, Feedback. Option B: Fundamental analysis. Feedback: Correct! A company's fundamentals are what make it a strong performer in the business world.

Global Incorrect Feedback
The correct answer is: Fundamental analysis. A company's fundamentals are what make it a strong performer in the business world.

Question 10c of 10 (1 Market trends 226161)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of the following does someone using fundamentals analysis look at when analyzing a particular stock?

Table with 2 columns: Choice, Feedback. Option C: A company's traits such as revenues and earnings per share. Feedback: Correct! A company's fundamentals are what make it a strong performer in the business world.

Global Incorrect Feedback
The correct answer is: A company's traits such as revenues and earnings per share. A company's fundamentals are what make it a strong performer in the business world.