

**Matching**

Match the definition in Column A with the term in Column B.

Column A

- _____ Part owner of a company
- _____ Portions of a company which represent its total value
- _____ Company profits paid in cash, discounts, or shares
- _____ Purchasing different types of investments
- _____ Money enabling a company to grow

Column B

- a. Capital
- b. Diversification
- c. Dividends
- d. Shareholder
- e. Stocks

Multiple Choice

1. **As a shareholder, which of the following is a right you may have?**
 - a. the right to fire and hire employees
 - b. the right to open additional businesses
 - c. the right to open company accounts
 - d. the right to vote on company decisions
2. **Why can the stock market be stressful?**
 - a. Stocks fluctuate because of uncontrollable reasons.
 - b. Stocks are based on predictable factors.
 - c. Stocks lose and gain money regularly.
 - d. Stocks represent many different businesses.
3. **Where do people buy and sell stocks?**
 - a. A bank
 - b. A stock exchange
 - c. A bank exchange
 - d. A stock store
4. **What is important to consider before buying stocks?**
 - a. The amount of risk you are able to take
 - b. The amount of time you have to invest
 - c. The advice of your friends
 - d. The latest trends and hype

Application

Review the investment scenario below. Identify factors that raise red flags for you, as well as those that signal potential for success. Based on your assessment, is this company a good investment? Why or why not?

Leo's Donut Co. Founded six years ago, Leo's Donut Co. recently expanded its reach by opening six new stores in the local area. Of these, only half are profitable, and the rest are struggling. Faced with declining revenue, Leo took out a business loan to maintain cash flow and meet



payroll obligations. A new marketing campaign has been launched to inform customers about renovations in the original store and the opening of new ones, aiming to boost sales.

Investing & Stocks | Answer Key

Matching

Match the definition in Column A with the term in Column B.

Column A

- d. Part owner of a company
- e. Portions of a company that represent its total value
- c. Company profits paid in cash, discounts, or shares
- b. Purchasing different types of investments
- a. Money enabling a company to grow

Column B

- a. Capital
- b. Diversification
- c. Dividends
- d. Shareholder
- e. Stocks

Multiple Choice

1. As a shareholder, which of the following is a right you may have?

- a. the right to fire and hire employees
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2. Why can the stock market be stressful?

- a. Stocks fluctuate because of uncontrollable reasons.
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4. What is important to consider before buying stocks?

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Application Answer:

(Responses may vary.)

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