

Chapter 12 – Investments

I-Summary

This chapter helped you understand investments and how to make your money grow. By purchasing certificates of deposit, you can earn interest. By buying stocks, you can earn a profit on their increase in value. By buying bonds, you can earn dividends.

I-Quiz

1. What is the money you receive if you are a company shareholder called?
 - A. a shareholder yield
 - B. a dividend
 - C. a stock profit
2. What is the type of investment where you lend money to a corporation or government and you are paid interest called?
 - A. a bond
 - B. a coupon
 - C. a share of stock
3. If the amount of money you receive from the sale of a stock, minus commission, is *less* than what you paid for it, your sale resulted in:
 - A. a profit
 - B. a dividend
 - C. a loss
4. What is the type of investment that earns interest at higher interest rates, is purchased in specific amounts, and held for specific lengths of time called?
 - A. a stock certificate
 - B. a bond
 - C. a certificate of deposit (CD)
5. What do you become when you purchase shares of stocks in a company?
 - A. part owner of the company
 - B. a member of the board of directors
 - C. a stock broker

Answer Key

- 1. B**
- 2. A**
- 3. C**
- 4. C**
- 5. A**