

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Which is the riskiest investment vehicle listed here?
 - a. Certificate of Deposit (CD)
 - b. Mutual funds with diversified stocks
 - c. Mutual funds with short- or intermediate-term bonds
 - d. A blend of mutual funds with stocks and bonds

2. A bond is...
 - a. A debt security—the issuer owes the holders a debt, and is obliged to repay the principal and interest
 - b. Capital raised by a corporation through the issuance and distribution of shares through financial markets
 - c. Money pooled with the money of other investors into a fund that is invested in anywhere from a few dozen to hundreds of different securities

3. A stock is...
 - a. A debt security—the issuer owes the holders a debt, and is obliged to repay the principal and interest
 - b. Capital raised by a corporation through the issuance and distribution of shares through financial markets
 - c. Money pooled with the money of other investors into a fund that is invested in anywhere from a few dozen to hundreds of different securities

4. A mutual fund is...
 - a. Money pooled with the money of other investors into a fund that is invested in anywhere from a few dozen to hundreds of different securities
 - b. A debt security—the issuer owes the holders a debt, and is obliged to repay the principal and interest
 - c. Capital raised by a corporation through the issuance and distribution of shares through financial markets