



Module 7: INVESTING

1. Which of these is true about investing?
 - A. Before you invest you must save
 - B. When people invest, they expect larger returns and take on more risk
 - C. Investing is riskier than saving
 - D. All of the above

2. The rule of 72 explains which of the following?
 - A. Your money will double in 72 years if you put it all in a savings account
 - B. Invest \$72 in the stock market and you will have at least \$1,000 in 5 years
 - C. Divide 72 by the rate of return to know how long before your money doubles
 - D. If you make over \$72,000 you are required by law to invest

3. Which of these is an example of a return on your Investment?
 - A. Dividends
 - B. Increased share value
 - C. Interest
 - D. All of the above

4. Equity is the difference between?
 - A. The value of an asset and what you owe on that asset
 - B. What you owe towards an asset and how many hours you spend working towards the asset
 - C. The return on your investment and the price of the purchase
 - D. The value of the asset

5. Which of these investment items are eligible for matching funds when using your Opportunity Passport™ account?
 - A. Certificates of Deposit (CDs)
 - B. Stocks
 - C. Bonds
 - D. All of the above

6. Net worth is?
- A. The value of liabilities plus your equity
 - B. The value of all assets minus your liabilities
 - C. The amount of money in your pocket
 - D. All of the above
7. Before you put your money into savings or investments, what should you ask yourself?
- A. What are my saving and investment SMART goals?
 - B. When do I need my money?
 - C. What is my risk tolerance?
 - D. All of the above
8. Which of the following is not an investment risk
- A. Credit risk
 - B. Interest-rate risk
 - C. Legal risk
 - D. Market risk
9. Which of these financial products usually has the lowest risk and the lowest rate of return?
- A. Stocks
 - B. Savings account
 - C. Certificate of Deposit (CDs)
 - D. Mutual Funds
10. Like your asset building portfolio, you should diversify your financial assets, which means?
- A. You should divide your financial portfolio into different asset classes
 - B. Buy all different types of stocks
 - C. Put your money into several different savings accounts
 - D. All of the above