

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Which is the riskiest investment vehicle listed here?

- a. Guaranteed Investment Certificate (GIC)
- 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