

Bear market	A steady drop in the stock market over a period of time.
Bull market	A steady rise in the stock market over a period of time.
Capital gain	The difference between a higher selling price and a lower purchase price, resulting in a financial gain for the seller.
Equities	Claims of ownership in a corporation.
Financial asset	Claim on the property or income of a borrower.
Investment	The act of redirecting resources from being consumed today so that they may create benefits in the future; the use of assets to earn income or profit.
Money market	Market in which money is lent for periods less than a year.
Par value	The amount that an investor pays to purchase a bond and that will be repaid to an investor at maturity.
Portfolio	A collection of financial assets.
Primary market	Market for selling financial assets that can only be redeemed by the original holder.

Prospectus

An investment report to potential investors.

Return

The money an investor receives above and beyond the sum of money initially invested.

Speculation

The practice of making high-risk investments with borrowed money in hopes of getting a big return.

Yield

The annual rate of return on a bond if the bond were held to maturity.

The money an investor receives above and beyond the money initially invested is called

- a. return.
- b. investment.
- c. savings.
- d. prospectus.

a. return.

A bond is a

- a. system that allows the transfer of funds between savers and borrowers.
- b. collection of financial assets.
- c. loan that represents debt that the government or a corporation must repay to an investor.
- d. portion of ownership in a corporation.

c. loan that represents debt that the government or a corporation must repay to an investor.

Investment is

- a. a collection of financial intermediaries.
- b. providing money for your family.
- c. the act of redirecting resources from being consumed today so that they may create benefits in the future.
- d. an institution that helps channel funds from savers to borrowers.

c. the act of redirecting resources from being consumed today so that they may create benefits in the future.

A share of stock represents

- a. debt that the government or a corporation must repay to an investor.
- b. a collection of financial assets.
- c. a system that allows the transfer of funds between savers and borrowers.
- d. a portion of ownership in a corporation.

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