

2017

Finance & Investment Challenge Bowl



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Set 6

It's the primary federal regulatory agency for the securities industry with the responsibility of promoting full disclosure and investor protection against fraudulent and manipulative practices in the securities markets.

Answer: Securities and Exchange Commission (SEC)

Benjamin Franklin once said “beware of little expenses; a small leak will sink a great ship.” What did he mean by this?

Answer: It means that even small expenses can add up and be difficult to pay for, like big expenses...just as a small leak will eventually let in so much water that even a large ship will sink.

To ***defer payment*** means to pay a debt or obligation earlier rather than later.

Answer: False

To ***speculate*** is to engage in any business transaction involving considerable risk or the chance of large gains in the expectation of a quick or very large profit.

Answer: True

*Under **Socialism and Communism**, there is no private property and all means of production of goods and services are controlled by a central government.*

Answer: True

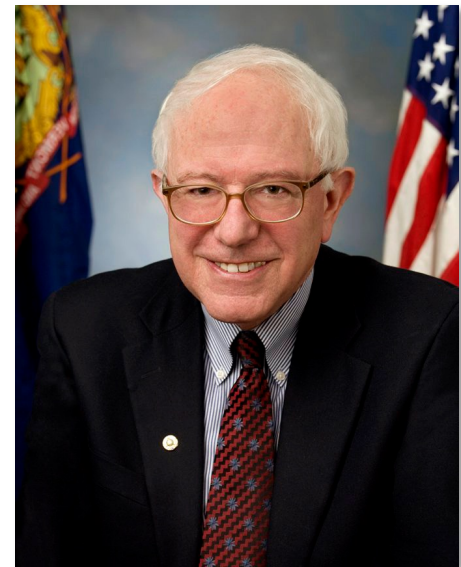
With over 1 billion citizens India's borders contain 40% of the world's people living in poverty.

Answer: True

End Round 1

Who is this, and why has he become so famous?

Answer: Bernard "Bernie" Sanders is an American politician and the junior United States Senator from Vermont. He was a candidate for the Democratic nomination for President of the United States in the 2016 election.



Give an example of a *white-collar* job.

Answer: The classic definition of a white collar job would be a worker who is not engaged in physical labor while performing his or her duties. Therefore, any job that falls under this definition would be appropriate.

This cargo delivering enterprise, founded by Elon Musk (of Tesla Motors), will soon be delivering humans to the International Space Station.

Answer: SpaceX



What would be a 15% tip on a \$32.00 restaurant bill?

Answer: \$4.80

What is a *business plan*?

Answer: A business plan is a formal statement of a set of business goals, the reasons why they are believed attainable, and the plan for reaching those goals.

It's a license that gives the inventor of a new product the exclusive right to sell it exclusively for a specific period of time.

- A. Contract
- B. Affidavit
- C. Patent

This type of spending involves purchases of items that are not considered by most necessary, including video games, dining at restaurants, vacations, etc.

- A. Discretionary
- B. Nondiscretionary
- C. Budgetary

Name two economic/business concepts running a lemonade stand can teach you.

Answer: Gross profit, expenses, net profit, productivity, producers, consumers, location, product quality, supply and demand, etc.

According to the Rule of 72 how many years will it take for \$1000.00 to double earning 8% interest?

- A. 7 years
- B. 8 years
- C. 9 years

You've just mentioned to a friend that your grandparents gave you stock in McDonalds for your birthday. He asks you if being a stockholder means you can walk into a McDonalds restaurant and get a hamburger for free? What would be your answer to him, and explain why?

Answer: Your answer would be "no". Shareholders have no claim to the goods or services the company produces but are entitled to share in the profits.

End Round 2

It's an invisible and unofficial barrier that sometimes prevents women and some minorities from advancing within an organization.

- A. Golden Parachute
- B. Brick Wall
- C. Glass Ceiling

It's a tax on the money or property that one living person gives to another.

- A. Estate Tax
- B. Gift Tax
- C. Property Tax

What are *fringe benefits*?

Answer: Payments to employees other than wages or salary. Fringe benefits may also include aspects of the job the employee receives particular enjoyment or benefit from, e.g. travel, Friday afternoons off, etc.

It's a financial award given to an individual, group or organization in order to carry out a specific task.

- A. Grant
- B. Subsidy
- C. Incentive

It's an exchange-traded fund (ETF) that tracks the Standard & Poor's 500 Index.

- A. Spider, or SPDR
- B. Gnat, or NAT
- C. Cricket, or CRKT

It's the policy of using trade barriers to shield domestic industries from foreign competition.

- A. Embargo
- B. Tariff
- C. Protectionism

The merger of Sears and this other giant retailer in 2005 has only compounded the weaknesses they continue to share, resulting in more closed stores every year and an immense “bleeding” of cash reserves.

Answer: K-Mart

What are *start-up costs*?

Answer: The expenses a new business must pay before it can begin to produce and sell goods or services.

It's an organized work stoppage intended to force an employer to address union demands.

Answer: Strike

Stock recommendations by expert financial analysts might include one of these three instructions: Buy, Sell or _____.

Answer: Hold

It's a condition or label for a person who is working a job for which he/she is overqualified, or working part-time when full time is desired.

Answer: Under-employed

In regards to investing, what is the relationship between *risk and reward*?

Answer: An investment with greater risk may offer a greater reward. However, that increased risk comes at a price with the potential for greater loss. Additionally, an investment with less risk also has a reduced potential for loss.

In terms of market share, it's the highest-selling energy drink in the world, with 5.947 billion cans sold in 2015.

Answer: Red Bull



In economic terms, missing out on the benefits of owning a PlayStation 4 because you purchased an Xbox One involves what type of cost?

Answer: Opportunity Cost

End Round 3