

**2017-18**

**Finance and Investment  
Challenge Bowl**



# 2017-18 FICB SET 1



Individuals who believe that the assessed value of their property is too high can appeal to their local tax assessor for a tax abatement, or reduction.

Answer: True

A 403(b) plan is a type of retirement plan offered to employees of government and tax-exempt groups, such as schools, hospitals and churches.

Answer: True

An absentee owner is an individual who owns a piece of real estate but does not live in it.

Answer: True

\_\_\_\_\_ are used to reduce the overall tax obligation from an individual's gross income on a tax return.

Answer: Tax deductions

A bond rating is a grade given to bonds that indicates their:

- A. Credit quality
- B. Maturation date
- C. Comparison to other types of investments

A “529 plan” provides tax advantages when saving and paying for future health care costs.

Answer: False



# End of Round 1

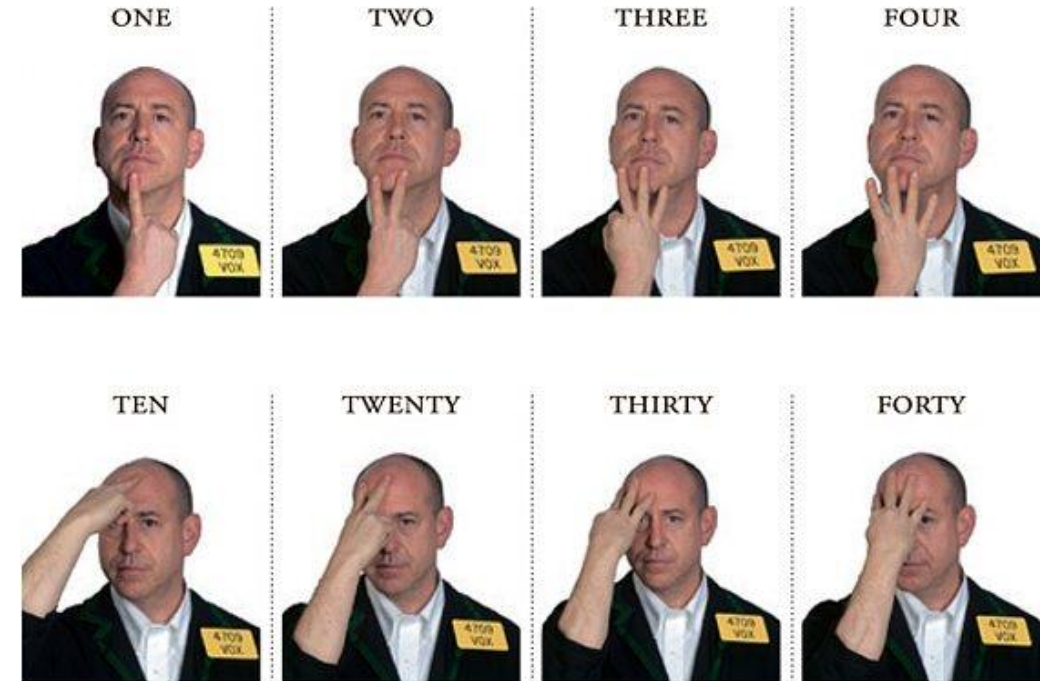


- 5 They can be found on a balance sheet
- 4 They can go up and down in value
- 3 They can generate income for their owners
- 2 They can be owned by individuals or businesses
- 1 Examples might include one's house, a car, stocks, etc.

Answer: Assets

What is this person demonstrating?

Answer: Examples of hand signals used on a stock trading floor. These indicate amounts to be bought or sold.



It occurs when total public-sector spending equals total government income, during the same period.

Answer: Balanced budget

Bitcoins have been in the news lately! Some think they are the future of finance, while others think they are an investment bubble waiting to burst.

How are bitcoins made?

- A. In a coin-producing facility similar to the US Mint but located in Switzerland
- B. In a digital process known as mining, which uses incredibly large amounts of electricity
- C. No one really knows
- D. New bitcoins are generated by a computer for each transaction.

It measures the sensitivity of the price of a particular asset to changes in the market as a whole.

- A. Alpha
- B. Beta
- C. Gamma

It's the governing body of international trade, setting and enforcing the rules of trade and punishing offenders.

Answer: World Trade Organization



Name two of the Four Factors of Production.

Answer: Land, Labor, Capital & Enterprise (entrepreneurship)



It's the amount of money held at a financial institution, such as the amount in a checking account, at any given moment.

Answer: Balance

It's a contract provision that allows a lender to require a borrower to repay all or part of an outstanding loan if certain requirements are not met.

- A. Acceleration clause
- B. Default clause
- C. Breach of contract clause

It's the highest possible rating assigned to an issuer's bonds by credit rating agencies.

- A. A
- B. AA
- C. AAA

# End of Round 2



It's a market in which supply is, or seems to be, plentiful and prices are, or seem to be, low.

Answer: Buyer's market

On average, Americans receive \$1.22, in value for services, for every dollar they send to Washington. What implication does this statistic have for the federal budget?

Answer: It helps explain why there is a (huge) budget deficit.

In the USA, the Secretary of the Treasury provides financial advice to the President, manages the public debt, and supervises a major Cabinet agency.

What is the term for the similar office in the United Kingdom?

- A. Lord Chancellor and Keeper of the Privy Seal
- B. Right Honorable Commissioner of the His Majesty's Treasury
- C. Chancellor of the Exchequer
- D. Minister of Finance



It's a term for an investor who thinks that the price of a particular security or class of securities is going to fall.

Answer: Bear



In the case of drugs, it's those that can be purchased without a prescription from a doctor.

- A. Over the top
- B. Under the radar
- C. Over the counter

It's when a firm charges different customers different prices for the same product.

- A. Price gouging
- B. Collusion
- C. Price discrimination

It's the process of transferring an enterprise or industry from the public sector to the private sector.

Answer: Privatization

It's the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.

- A. Monetary policy
- B. National policy
- C. Fiscal policy

It's the process by which the monetary authority of a country, like the central bank or currency board, controls the supply of money.

Answer: Monetary policy

It's a professional dealing with the assessment and management of risk for insurance policies.

- A. Fiduciary
- B. Actuary
- C. Accountant

In the world of personal finance, what does it mean to buy something “on credit?”

Answer: Buying on credit means borrowing money to buy something, aka “buy now, pay later.”

Credit is defined as “confidence in a purchaser's ability and intention to pay, displayed by entrusting the buyer with goods or services without immediate payment.”

With 2016 net income in the area of \$20 billion this Korean manufacturer will, with relative ease, absorb the recall costs of its handheld devices known to catch fire or explode at any given moment.

Answer: Samsung



They're business costs that do not change over the short-term, including rent, insurance, property taxes, etc.

Answer: Fixed costs

He's the 23<sup>rd</sup> and current Prime Minister of Canada.

- A. Justin Trudeau
- B. Stephen Harper
- C. Paul Martin



# End of Round 3

