

2017

Finance & Investment Challenge Bowl



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Set 1

A ***nonprofit organization***, such as Asset Builders of America, is a business that aims to benefit society rather than make a profit.

Answer: True

A company that earns or receives an unexpected amount of money may distribute the sum to its shareholders as a *special dividend*.

Answer: True

The ***sole proprietorship*** is the most common form of business entity in the United States.

Answer: True

According to PC World Magazine the savviest hackers in the world come from this geographic region.

- A. Eastern Europe
- B. Central America
- C. South Africa

The number of shares traded daily on the New York Stock Exchange is in the:

- A. Thousands
- B. Millions
- C. Billions

A ***commission*** is a fee paid to a broker for handling a stock transaction.

Answer: True

End Round 1

Define *liquid asset*.

Answer: A liquid asset is one that can be readily sold by an individual. Stocks are considered liquid assets. Real estate is considered an illiquid asset. It typically takes time, planning & strategy to sell it.

- 8 Brown University
- 7 Columbia University
- 6 Cornell University
- 5 Dartmouth College
- 4 Harvard University
- 3 University of Pennsylvania
- 2 Princeton University
- 1 Yale University

Answer: Ivy League Schools

Which of the following ticker symbols represents Harley Davidson Motorcycles?

- A. H-D
- B. H-D-M
- C. H-O-G



Located in a bank or credit union, it's where you can store your most valuable possessions, provided they're nice and small.

Answer: Safe deposit box

One advantage of most qualified retirement accounts is that taxes on earnings on those accounts is *deferred*. This means that taxes are paid:

- A. When funds are deposited
- B. When funds are withdrawn
- C. A tax that is deferred does not have to be paid

The saying ***“Don’t Put All Your Eggs In One Basket”*** can be associated most closely with:

- A. Dollar Cost Averaging
- B. Dividend Reinvestment
- C. Diversification

Define *net worth*.

Answer: The value of one's total assets minus the value of one's total liabilities.

Your friend is considering getting a credit card. What two pieces of advice (our list has 7) would you give her to best manage her credit card use?

Answers may include:

- Have only one card
- Pay off the balance monthly
- Shop for a card with a low interest rate
- Beware of particularly low introductory rates
- Shop for a card with no annual fee
- Read your monthly statements to verify the purchases
- Avoid small purchases with your credit card

- 7 It's the 5th largest country in the world
- 6 Portuguese is the national language
- 5 It's the largest producer of oranges in the world
- 4 Its currency is the Real'
- 3 It celebrates Carnival like no other!
- 2 It hosted the 2016 Summer Olympics
- 1 Its capital is Brasilia

Answer: Brazil

A stock that splits 2-for-3 will result in you owning:

- A. A greater number of shares
- B. The same number of shares
- C. A smaller number of shares

End Round 2

They're issued by state or city governments to pay for particular public projects such as road repairs or new stadiums.

Answer: Municipal Bonds

Define *investment*.

Answer: A financial product, or other item, that is purchased with the hope, or expectation, that it will generate income, or appreciate in value, in the future.

A mutual fund with holdings in companies such as Coca-Cola, Nike, & Wal-Mart would fall into which of the following categories?

- A. Large Cap Fund
- B. Medium Cap Fund
- C. Small Cap Fund

This 2015 movie is based on the non-fiction book by Michael Lewis about the build-up of the housing and credit bubble, and eventual crises that rocked the U.S. during the mid 2000s.

- A. Madoff
- B. The Big Gig
- C. The Big Short

A 1.5-percent annual commission will yield your financial advisor what dollar amount on a managed account of \$2 million?

Answer: \$30,000

When an investor uses this equity buying strategy he hopes that his borrowed shares will decrease in value.

- A. Shorting a stock
- B. Dipping a stock
- C. Flipping a stock

Tesla's "Gigafactory", being constructed in Sparks, Nevada will produce this primary component of the estimated 500,000 automobiles that will be built annually by the carmaker.

Answer: Batteries



What's significant about Iowa and Washington D.C. when considering the presidential election primaries schedule.

Answer: Iowa holds the first primary, Washington D.C. the last

Define *predatory lending*.

Answer: Predatory lending is the unfair, deceptive, or fraudulent practices of some lenders during the loan origination process, typically offering unusually high interest rates, terms, and other conditions that have a collective, predatory effect on the borrower.

The practice of contracting with an outside company to provide goods or services is called:

- A. Contract sourcing
- B. In-sourcing
- C. Outsourcing

Whats wrong with this Automated Teller Machine (ATM)?

Answer: It has a *skimmer* attached to it by a criminal who's hoping you don't notice it.

The skimmer reads data from your credit card.



An organization of workers that seeks to improve working conditions is called a(n):

- A. Labor union
- B. Open union
- C. Skill union

Since the 1950s the percent of the U.S. labor force working in manufacturing has:

- A. Increased slightly
- B. Decreased significantly
- C. Decreased slightly

How many characters are there in the ticker symbol for a mutual fund?

- A. Five
- B. Four
- C. Three

End Round 3