

2017

Finance & Investment Challenge Bowl



2017
Finance &
Investment
Challenge Bowl
Set 10

The Spanish dollar (circa late 1500s-1600s) was widely used by many countries as the first international currency because of its uniformity in standard and milling characteristics. By what other name are these dollars widely known?

- A. Doubloons
- B. Reales
- C. Pieces of Eight

It's a fundamental principle of economic theory which states that, all else equal, an increase in price results in an increase in quantity supplied.

Answer: The Law of Supply

It's a legal *maximum* on the price at which a good can be sold.

Answer: Price ceiling

It's a legal *minimum* on the price at which a good can be sold.

Answer: Price floor

Contributions to a traditional 401(k) plan are deducted from your salary after taxes.

Answer: False

Generally speaking, how high must your FICO credit score be for you to qualify for the best interest rates?

- A. 600
- B. 750
- C. 800

End Round 1

At the peak of the filing season, how many tax returns does the IRS process in an hour?

- A. 5,300
- B. 75,000
- C. 450,000

That's 125 per second.

Believe it or not, former Treasury Secretary Lawrence H. Summers and some other respected authorities are suggesting we stop printing the \$100 bill. Give one reason this might be a good idea.

Answer: Sadly, the \$100 is used frequently by tax evaders, terrorists, drug dealers, and financial criminals, so having fewer \$100 bills in circulation could make it more difficult for these crimes to be committed.

30-second commercials for the first Super Bowl in 1967 cost a measly \$42,000. What did a 30-second commercial cost for the 2016 Super Bowl?

- A. \$167,000
- B. \$980,000
- C. \$5,000,000



This country went through a significant financial crisis and recession, starting in 2008. President Barack Obama responded by adopting aggressive measures to get our economy back on track. One unfortunate side effect of these measures was a dramatic increase in our nation's debt. National debt stood at about 40% of our gross domestic product in 2008. What is the proportion of national debt to our gross domestic product in 2016?

- A. 42.5%
- B. 75%
- C. 99%

In 2015, about what percentage of non-farm jobs in the US were manufacturing jobs?

- A. 25%
- B. 17.5%
- C. Less than 10%

With a host of acronyms for those individuals in charge of making a business a success, for want of a better position are the following acronyms used?

Answer all three!

CEO stands for ?

COO stands for ?

CFO stands for ?

Answer: Chief Executive Officer, Chief Operating Officer and Chief Financial Officer

Mutual funds are currently the most popular investment vehicle for individuals. Name two advantages of owning mutual funds.

Answer:

1. Professional portfolio management
2. Ability to reinvest dividends
3. Ease in making original investment as well as subsequent contributions
4. Diversification and thus...
5. ...Reduced risk/exposure

Why is it important to research the performance history of a mutual fund?

Answer: To determine how the fund performs over time, particularly during both bull markets and bear markets, and in comparison to its peers, which may be either actively- or passively-managed.

The thrill of winning a gold medal at the Olympics is what athlete's dreams are made of. While the excitement of being the best should be enough, it does not exactly pay the bills. In the U.S., gold medal winners get what dollar amount from the U.S. Olympic Committee for winning a gold medal?

- A. \$1,000
- B. \$5,000
- C. \$25,000

Many countries reward their athletes financially for earning medals at the Olympics. This country, for example, pays its athletes \$182,000 for each gold medal they bring “home”.

- A. Italy
- B. Russia
- C. China

End Round 2

Student credit cards work just like normal credit cards but are made available to students who have little credit history or experience. How do issuers of these cards offset costs associated with new and inexperienced users?

Answer: Student credit cards may carry an annual fee, charge higher interest rates, and/or have lower credit limits.

It's the average monthly rent for a 1-bedroom apartment in Manhattan.

- A. \$1,500
- B. \$3,000
- C. \$5,000

A detailed description of work to be performed on a project by answering Who, What, Where, When and How is captured in a:

- A. Statement of work
- B. Prospectus
- C. Business plan

An individual who routinely provides services to a business, but has the flexibility to determine how the job gets done is probably a:

- A. Fiduciary
- B. Exempt employee
- C. Contractor

A form of legal protection for words, names, symbols, sounds, or colors that distinguish goods and services is called a:

- A. Patent
- B. Copyright
- C. Trademark

“B2B” is an abbreviation for what type of marketing?

Answer: Business to business

When more units of a good or a service can be produced on a larger scale, yet with less input costs (on average), what is said to be achieved?

Answer: Economies of Scale

It's a manufacturing technique that carries a product along a conveyor system past several workstations where workers perform specialized tasks.

Answer: Assembly line

It's a system for interactions between a designer and a computer to design a product, facility, or part that meets predetermined specifications.

Answer: CAD (Computer-Assisted Design) or (Computer-Aided Design)

Define *Environmental Impact Study*.

Answer: A business that wants to locate near a community often must first prepare this to analyze how a proposed plant/development would affect the quality of life in the surrounding area and includes such topics as: impact on transportation facilities, energy requirements, water and sewage treatment needs, natural plant life and wildlife, and water, air and noise pollution.

This country cited numerous reasons, including the need to regain its independence, for leaving the European Union in 2016.

Answer: Great Britain



Most financial experts agree individuals and families should have this set aside in a liquid account in case of emergency.

- A. \$1,000
- B. 3 to 6 months of income
- C. The equivalent of 3 month's rent or mortgage payments

What is the biggest cause of personal bankruptcy in the United States?

- A. Medical bills
- B. Job loss
- C. Divorce

If your friend is driving your car and crashes into a tree, whose insurance pays?

- A. Your insurance
- B. His insurance
- C. Both his and yours each pays 50%

End Round 3