

# 2017

## Finance & Investment

## CHALLENGE BOWL



**2017**  
**Finance &**  
**Investment**  
**Challenge Bowl**  
**Set 8**

A ***bear hug*** is a takeover bid that is so attractive, in terms of price and other features, that the target company's directors, even though they might oppose the takeover, reluctantly agree to it rather than risk shareholder protest.

Answer: True

At the *equilibrium point*, the quantity that buyers are willing to buy is greater than the quantity that sellers are willing to sell (in the economic way of thinking).

Answer: False (it's equal to)

In macroeconomics, “full employment” equals about 4% unemployment for persons over 16 year of age.

Answer: True

De Beers, based in Johannesburg, South Africa and London, England controls approximately 50% of the world diamond trade. Still high, this percentage is down significantly from a previous 85% the company enjoyed for years.

Answer: True

While diamonds are prized for their cut and clarity, they lack enough hardness to be used in any real application besides the making of jewelry.

False: Diamonds are the hardest known natural material on the Mohs scale of mineral hardness and, besides their use in jewelry, have many industrial uses.



It's the world's top selling manufacturer of motorcycles, selling over 15 million units last year.

- A. Honda
- B. BMW
- C. Harley-Davidson



**End Round 1**

Universal Studios recently opened this newest attraction in Southern California, adding to its already existing inventory in Florida and Japan?

Answer: The Wizarding World of Harry Potter



Never one to be out done, Disney plans to infuse billions of dollars into its theme parks with rides and attractions based on what cinematic series?

Answer: Star Wars



Asset Builders of America, Inc.

It's one of the most commercialized intersections in the world, feeding into the frenzy of a government and population that spends more than it earns.

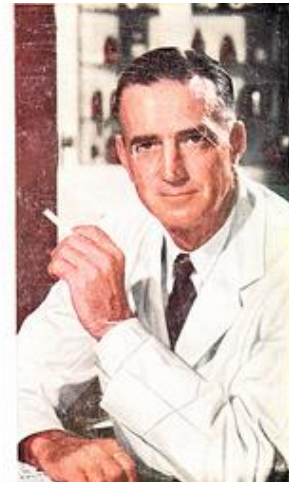
Answer: Times Square



A 1960's magazine ad touted more doctors recommending..

- A. Driving over the speed limit
- B. Smoking a certain cigarette
- C. Eating crayons

*According to repeated nationwide surveys,*  
**More Doctors**  
**Smoke CAMELS**  
**than any other**  
**cigarette!**



Makers of everything from conveyor belts to amusement rides rely on this Milwaukee company's electronic systems to keep things running smoothly.

- A. Johnson Controls
- B. Badger Meter
- C. Rockwell Automation



A vehicle is considered a “lemon” if:

- A. The vehicle has over three recalls on it
- B. It remains in the repair shop for fifteen days or more
- C. The defect remains unfixed after four repair attempts

What is the central bank of the United States?

Answer: The Federal Reserve



It's an economy that does not take part in international trade.

- A. Closed (door) economy
- B. Command economy
- C. Mixed economy

Who among the following was not a classical economist?

- A. Adam Smith
- B. David Ricardo
- C. Marie Curie



Marie Curie was a Polish-born French physicist famous for her work on radioactivity and twice a winner of the Nobel Prize.

This international organization's focus is on lowering trade barriers and stabilizing currencies.

- A. International Monetary Fund
- B. World Bank
- C. International Bank for Reconstruction and Development

**End Round 2**

What's the rationale behind long-term investing?

Answer: Time is an investor's best friend (or worst enemy if you wait too long) because it gives compounding time to work its magic.

Consider two investors that invest \$2,000.00 annually and earn an average of 8%. At age 65, the investor who started at age 25 has over \$585,000 The investor who started at age 35 has \$250,000.

What's the difference between saving and investing?

Answer: Saving is a passive activity, even though it uses the same principle of compounding. Saving is more focused on safety of principal (the amount you start out with) and less concerned with return. Your focus in investing is on return and can run the spectrum from conservative to very aggressive in terms of risk.

It's the largest airline in North America with an average of 6,500 flights per day.

- A. American Airlines
- B. Southwest Airlines
- C. United Airlines

Why might it be a good idea, or benefit, to having a local insurance agent?

Answer: You get the peace of mind that your questions about insurance will be answered by someone who knows your neighborhood. You'll have an ally on your side should you have to file a claim. You'll have a personal relationship with an insurance sales agent who can work with you throughout your life to keep your insurance coverage up to date.



- 6 Rick Santorum
- 5 Jim Gilmore
- 4 Mike Huckabee
- 3 Carly Fiorina
- 2 Rand Paul
- 1 Marco Rubio

Answer: Republican candidates who withdrew from the 2016 Presidential elections (List also includes Chris Christie, Ted Cruz, Jeb Bush & Dr. Ben Carson)

What is a health savings account and what is the tax advantage of having one?

An account that allows individuals to

- 1) pay for current health expenses and
- 2) save for future qualified medical expenses on a
- 3) tax free/tax-advantaged basis.

What is the term for the roads, bridges, ports, railways, airports, power lines, pipes and wires that enable people, goods, commodities, water, energy and information to move about efficiently.

Answer: Infrastructure

The Ford F150 was again the top selling passenger vehicle in the U. S. in 2015. Which vehicle came in 2<sup>nd</sup>?

- A. Toyota Camry
- B. Nissan Altima
- C. Chevrolet Silverado



The Eurozone is the economy comprising all the countries that have adopted the euro as their currency. Name four of the 17 countries. (Hint: England is not one of them)

Answer: The Eurozone currently consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Miles earned \$500 for selling a prize animal at the county fair. He wants to save the money for his senior trip in three years. What type of cash management tool is his best option?

- A. Savings account
- B. Checking account
- C. Certificate of Deposit

Gold in the Federal Reserve is stored in what form?

- A. Ingot
- B. Coin
- C. Rod



The Canadian one dollar coin is commonly, and affectionately, referred to as this:

- A. The Goldie
- B. The Dolly
- C. The Loonie





It's a type of mutual fund with a portfolio constructed to match or track the components of a market index, such as the Standard & Poor's 500 Index.

Answer: Index fund

Why have Takata airbags become so infamous?

Answer: Tens of millions of these are under recall. Even a minor fender bender can cause them to rupture, spraying metal shrapnel into drivers and passengers.

(A Los Angeles Times investigation found that roughly 1 in 8 U.S. vehicles on the road have Takata airbags)

**End Round 3**