

Investing Strategies Quiz

Name: _____

Mark: /13

1. Which of the following type of investment allows you to purchase into an entire industry, commodity group or stock market.
 - a) Mutual Fund
 - b) RRSP
 - c) ETF
 - d) REIT

2. The Management Expense Ratio is what makes mutual funds more affordable then ETF's.
 - a) True
 - b) False

3. Increasing the percentage of this type of investment in your portfolio will lower your risk.
 - a) Equity
 - b) Bond

4. A bond pays a dividend and an equity pays interest.
 - a) True
 - b) False

5. What is one advantage and one disadvantage of diversification?

Advantage	Disadvantage

5. When your investment horizon is long you can invest with _____.
 - a) More Risk
 - b) Less Risk

6. Equities that are focused on consumer goods are said to have _____ volatility when compared to tech and commodity stocks.

a) High

b) Low

7. Explain why investing in penny stocks is attractive to investors and why it is so risky.(2 Marks)

8. Fill out the Chart(3 Marks)

	Passive Investing	Active Investing
Advantage		
Disadvantage		
Investment Example		