

## Study Guide for Stock Mkt. Test – Economics

Chapter 3, Section 1 – Forms of Business Organization  
Business Growth and Expansion

**Terminology: Section 1** - charter, stock, shareholders, dividend, bond, principal, interest

**Concepts:** Common Stock –vs- Preferred Stock

Understand stock ownership and corporate structure (Figures 3.2 & 3.3)

Chapter 12, Sections 2 & 3 – Investment Strategies and Financial Assets  
Investing in Equities, Futures, and Options

**Terminology: Section 2** – bonds, (including *coupon*, *maturity*, *par value*), current yield

**Concepts:** Basic Investment Considerations (4)

Why bonds are issued (by gov. and/or a company)

Bond Components

The Power of Compound Interest – Figure 12.3 (page 320) + Worksheet

**Terminology: Section 3** – all words from vocab. homework; understand different investment opportunities (group presentations) - 401(k); IRA's; CD's; Options; Futures; Bonds – Corporate, Treasury, Municipal  
Bond Ratings/Classifications

**Concepts:** What is stock? What are mutual funds? (see packet that I gave you)  
Bull –vs- Bear Markets

### Other:

“tax-exempt”

Spot market

Portfolio diversification

Stock broker

Stock Exchange (+ examples of some of the different ones)

Understand how to read a stock graphic / what each heading refers to – see attached.