
Beginners Guide to the Share Market

Quiz - 1 FPA CPD Point

1. What percentage of your income should you save and invest wisely?

- a) 20 percent
- b) 2 percent
- c) 10 percent
- d) 5 percent
- e) 50 percent

Answer – ___

2. Investing in a number of different industry sectors is known as:

- a) Trending
- b) High Risk
- c) 10 percentage
- d) Diversification
- e) 50 percent

Answer – ___

3. The All Ordinaries Index was replaced with:

- a) Dow Jones Index
- b) Gold Index
- c) Cash
- d) S&P/ASX 200 Composite Index
- e) None of the above

Answer – ___

4. _____ Shares are shares that have not been fully paid for:

- a) Ordinary
- b) Contributing
- c) Bonus
- d) Preference
- e) Rights Issues

Answer – ___

5. Which does NOT affect the price of a share?

- a) Your income level
- b) Supply & Demand
- c) Economic trends
- d) An industry's financial health
- e) A company's financial health

Answer – ___

6. Which does not usually describe daily share price monitoring?

- a) Closing Price
- b) P.E. Ratio
- c) Low Price
- d) High Price
- e) Price Change

Answer – ___

7. What is the formula for gauging the percentage of your investment money that should be in aggressive growth?

- a) 100 minus your age
- b) 100 minus your years in the workforce
- c) 100 minus you and your partners age
- d) 50 plus your age
- e) 50 minus your age

Answer – ___

8. You should buy _____ stocks to hold in the long term:

- a) emerging growth
- b) blue chip
- c) cash
- d) fixed interest

Answer – ___

9. Fundamental Analysis is used to evaluate:

- a) liquidity
- b) solvency
- c) efficiency
- d) earnings potential
- e) All of the above

Answer – ___

10. Most investors cannot look at stocks objectively:

- a) but relying on personal opinion is important
- b) but playing favourites is a good strategy
- c) and should listen to marketplace opinion
- d) but should rely on their instincts
- e) All of the above

Answer – ___

11. Review your portfolio every few months and:

- a) sell poorly performing shares that show little sign of improving
- b) sell those shares that you believe have reached an unsustainable level
- c) check how each sector is performing
- d) All of the above
- e) None of the above

Answer – ___