

A. Evaluate the chart as provided. What forecast would you make based on the chart?

B. Answer three (3) of the following five (5) questions:

1. What is the difference between gambling, speculating, and investing? What is the difference between financial and real investment?

2. What are the key characteristics of a balance sheet and an income statement? How are they useful in financial analysis?

3. What is technical analysis? (not just charts) How may it not be useful in investment analysis?

4. Why are there so many ways to measure profitability? What do they have to offer? Why is it difficult to measure profitability?

5. What does Malkiel describe as the “Fundamental” determinants of stock prices?