

1. The Dow Jones Industrial Average has how many stocks? \_\_\_\_\_
2. Malkiel has worked with which family of funds? \_\_\_\_\_
3. S & P stands for \_\_\_\_\_

Answer four (4) of the following six (6) questions:

1. What are some of the major types of mutual funds? What are the significant characteristics and advantages/disadvantages?

2. Define, illustrate, and explain as appropriate the following: IPO, prospectus, proxy, stock dividend, and stock split.

3. Malkiel thinks you can invest on your own. Explain how, why. Should you choose not to make your own decisions what would he recommend? What is his explanation?

4. What is the concept of present value? How and why is it useful evaluating real estate investments? Explain how it would be used.

5. What is leverage in investing? In what areas is it used and how is it used? Be sure to illustrate/give examples of its varied forms and uses.

6. What does Makiel say about asset allocation principles? How does this become a part of his life-cycle of investing? What is his life-cycle of investing?