ECON 4500 Name_____________
Quiz 2 April 25, 2011

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

1. For commodities what is the difference between a spot contract and a futures contract? How might a futures contract create and/or reduce risk? How are they normally used.

2. What is debt vs. equity financing? What factors affect the decision of which to use?

3. What is meant by fully diluted earnings, capitalization of earnings and book value? How might these measures be used?

4. What is the difference between open and closed investment companies? How do the teams load, no load and NAV apply?

5. What are the three approaches used in an appraisal to arrive at an overall value?

6. What is meant by the follow terms: IPO, prospectus, proxy, SEC