

Name _____

Money Magic: Investment Banking and Capital Markets

Multiple Choice Questions

1. What is the primary role of investment banks?
 - a) Selling consumer products
 - b) Assisting companies in raising capital and managing financial risks
 - c) Providing personal loans to individuals
 - d) Managing retail stores

2. What is one of the key functions of the stock market?
 - a) Issuing bonds to investors
 - b) Buying and selling real estate
 - c) Allowing companies to raise funds by issuing shares of stock
 - d) Lending money to small businesses

3. How do investors buy and sell securities in capital markets?
 - a) By visiting a bank branch
 - b) Through brokers, electronic trading platforms, or stock exchanges
 - c) By mailing checks to companies
 - d) By exchanging goods and services

4. What is the bond market primarily used for?
 - a) Selling stocks to investors
 - b) Allowing companies to issue shares of stock
 - c) Borrowing money by issuing bonds to investors
 - d) Buying and selling precious metals

5. Why are regulatory bodies important in capital markets?
 - a) To promote unfair trading practices
 - b) To encourage secrecy and non-disclosure
 - c) To ensure fairness, transparency, and investor protection
 - d) To increase the cost of securities

