

Name _____

From Friends to Funds: The World of Peer-to-Peer Lending and Crowdfunding

Multiple Choice Questions

1. What is Peer-to-Peer (P2P) Lending?

- a) Borrowing money from traditional banks
- b) Borrowing money directly from individuals without involving traditional banks
- c) Borrowing money from the government
- d) Borrowing money from family and friends

2. How does P2P Lending work?

- a) Borrowers can only request loans from banks
- b) Borrowers create online profiles, and individuals lend them money directly
- c) Borrowers receive loans from the government
- d) Borrowers exchange items instead of money

3. What is Crowdfunding?

- a) A way to throw parties on the internet
- b) Raising money from a large group of people who believe in a project
- c) A government funding program for artists
- d) A form of traditional banking

4. How does Crowdfunding work?

- a) Creators set a funding goal, and if it's not reached, they collect the money anyway
- b) Backers don't receive any rewards for supporting projects
- c) Creators never engage with their backers
- d) Creators create campaigns, backers contribute money, and if the goal is met, the project moves forward

5. What is one advantage of P2P Lending?

- a) Limited access to loans for small businesses
- b) High interest rates on P2P loans
- c) Access to loans for individuals and small businesses who might not qualify for traditional bank loans
- d) Diverse investment options for lenders

