

Name \_\_\_\_\_

## Long-Term vs. Short-Term Investing: Making Your Money Grow

### Multiple Choice Questions

1. Long-term investing is like:

- a) Planting annual flowers
- b) Nurturing a sturdy oak tree
- c) Flipping houses for quick profit
- d) Playing the lottery

2. What is the key advantage of compound interest in long-term investing?

- a) It guarantees quick profits
- b) It minimizes trading fees
- c) It allows your initial investment to grow over time
- d) It requires active trading

3. Short-term investing involves:

- a) Holding onto stocks for years
- b) Reacting to short-lived price movements
- c) Focusing on steady long-term growth
- d) Ignoring market fluctuations

4. Which investing approach is riskier?

- a) Long-term investing
- b) Short-term investing
- c) Both have the same level of risk
- d) Neither involves risk

5. Your choice between long-term and short-term investing should depend on:

- a) Your favorite color
- b) Your financial goals, risk tolerance, and time commitment
- c) The advice of a fortune teller
- d) Random chance

