

Name _____

Unlocking the World of Stocks: Your Share of Ownership

Multiple Choice Questions

1. What do stocks represent in a company?
 - a) Pieces of the company's pie
 - b) Loan agreements
 - c) Customer preferences
 - d) Marketing strategies

2. What is one way stocks provide returns to shareholders?
 - a) Voting rights at the company's annual meetings
 - b) Access to financial statements
 - c) Capital appreciation as the stock price rises
 - d) The ability to issue more shares

3. How do companies typically make a portion of their ownership available to the public?
 - a) Through a process called initial public offering (IPO)
 - b) By selling all their assets
 - c) By going bankrupt
 - d) By merging with other companies

4. What is the role of a brokerage firm when it comes to buying and owning stocks?
 - a) Issuing stocks to the public
 - b) Managing the company's finances
 - c) Providing access to stock markets and facilitating stock transactions
 - d) Paying dividends to shareholders

5. Why do companies choose to issue stocks?
 - a) To avoid sharing ownership with investors
 - b) To increase their debt load
 - c) To raise capital, share ownership, and provide liquidity to shareholders
 - d) To keep financial information private

