

Name \_\_\_\_\_

## Unlocking the World of Stocks: Your Share of Ownership

### Short Answer Key

1. Stocks provide potential returns to shareholders through capital appreciation when the stock's market price increases over time.
2. Voting rights allow shareholders to have a say in important company decisions, such as the election of board members and major policy changes. The number of votes a shareholder has is usually proportional to the number of shares they own.
3. To buy and own stocks, you need to open an investment account with a brokerage, research companies, place an order to buy stocks, receive a confirmation of ownership, and hold the stocks in your account.
4. Research is important before buying stocks because it helps investors make informed decisions. Factors to consider include the company's financial health, growth potential, industry, and competitive position.
5. Dividends are payments made by some companies to shareholders as a share of their profits. Companies that are more established and generate consistent profits are more likely to pay dividends.

