**Chapter Notes – Common Forms of Investment**

***Read the fourth section, Common Forms of Investment (pages 447-456), in your textbook, and answer the following question.***

1. What are the differences between risky safe investments? What do investors usually look for when investing?
2. Why do good investors diversify their investments?
3. What are Canada Savings Bonds? What are the advantages of purchasing Canada Savings Bonds?
4. What is a bond? Why would a business offer bonds?
5. How do bondholders make money on bonds? What happens if they want to sell their bonds before they mature?
6. What is the difference between a bull market and a bear market?
7. What factors influence stock prices?
8. Compare the advantages and disadvantages of common stock and preferred stock.

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| **Type of Stock** | **Advantages** | **Disadvantages** |
| Common Stock |  |  |
| Preferred Stock |  |  |

1. List three ways the Toronto Stock Exchange (TSX) makes a profit.
2. Explain the negotiation process of buying and selling stocks.
3. List two advantages and two disadvantages of online investing.
4. What are two components of a stock quotation? What do newspaper stock quotations usually list?
5. What are mutual funds? What are the benefits of investing in a mutual fund? Drawbacks?
6. Why would someone consider real estate as an investment?
7. How might an old baseball card be an investment?