

Bulls & Bears BRAIN BUSTERS

If you want to brush up on your business savvy before taking the test, go to our website and watch the videos: www.bullsandbearsonline.com/game.html

TRY OUR INVESTMENT CHALLENGE! WE WILL SEND YOU A
FREE BULLS & BEARS BOARD GAME
IF YOU GET ALL OF THE ANSWERS RIGHT!

We'll also email you the correct answers if you're interested

First and Last Name: _____

E-mail Address: _____

INFLATION

TEST YOUR KNOWLEDGE!

First, answer the following Multiple Choice Questions:

MCQ 1: The difference between headline and core inflation is that core inflation does not include:

- A. Increases in wages B. Higher taxes
 C. Cost of food and energy D. Cost of housing

MCQ 2: Which of the following groups lose out from inflation?

- A. Bondholders B. Stockholders C. Companies D. Government

Next, apply your insights to real-life investment decisions: for each news event, decide whether the investment shown will go up or down following the event - in other words, should you buy or should you sell?

News 1: The Fed reports average capacity utilization of 92% in industry!

S&P 500: Buy or Sell Bonds: Buy or Sell Gold: Buy or Sell

News 2: Prices fall in Japan! The consumer price index is 2% lower than a year ago.

Japanese stocks: Buy or Sell

JOB MARKET OF THE FUTURE

MCQ 1: What is "human capital"?

- A. Investment in know-how and skills B. Pleasant personality
 C. City with attractive living conditions D. Family businesses

MCQ 2: Which of the following professions is likely to see an increase in job demand in the future?

- A. Factory worker B. Tour guide C. Legal assistant D. Telemarketer

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JOB MARKET OF THE FUTURE CONT'D...

News 1: Congress turns protectionist, imposing tight restrictions on the import of foreign cars!

U.S. carmakers: Buy or Sell S&P 500: Buy or Sell German stocks: Buy or Sell

News 2: The Federal Government announces a 50% hike in the minimum wage!

Fast-food companies: Buy or Sell Mexican stocks: Buy or Sell

BUILDING A PORTFOLIO

Question 1: Gina is 32 years old and has accumulated a large portfolio. Her investments have done great, but after a long bull run, equities represent 75% of her portfolio. She's also thinking of buying a home within the next 5 years and wants to start saving for the down-payment. What should she do?

- A. Keep everything as is since things are going well
- B. Buy more equity since prices keep going up
- C. Sell some equity and keep proceeds in cash
- D. Sell all equity and jump back into the market after the coming price decline

Question 2: Mike is 35 years old, owns a home and U.S. stocks, and earns good income as a dentist. He has heard that exposure to emerging markets is good for diversification, and likes India due to the size of its market and relatively strong growth. He's considering a \$25,000 investment, but prices are volatile and he's not sure when to enter the market or what to buy.

- A. Buy 4 or 5 stocks of Indian companies with strong profitability and brands
- B. Buy \$5,000 of an India ETF on the 1st day of each of the following 4 quarters
- C. Buy India ETF once prices have fallen by 20% from the current level

Question 3: Janet is 40 years old. Here's her latest balance sheet: What is her net worth?

- A. \$230,000
- B. \$320,000
- C. \$353,000
- D. \$485,000

Cash - \$25,000
Equities - \$150,000
Bonds - \$60,000
House - \$250,000
Student loan - \$15,000
Mortgage - \$150,000