

FBQ1: According to economists, Investment is regarded as savings embarked upon as a result of-----

Answer: *Delayed consumption*

FBQ2: In finance, an investment involves utilization of funds in acquisition of financial assets such as financial securities and -----.

Answer: *Real property*

FBQ3: The fundamental purpose of investment is to generate

Answer: *Earnings*

FBQ4: Usually, higher level-of-return investments are associated with higher -----

Answer: *Risks*

FBQ5: Liquidity means the ease with which an investment can be converted into -----

Answer: *Cash*

FBQ6: A derivatives refers to a financial product which has its value dependent on the outcome of the original -----

Answer: *Financial Product*.

FBQ7: An investment that involves buying or building houses, apartments and other landed property is referred to as investment in

Answer: *Real Estate*

FBQ8: involves subscribing and investing in debt instrument of corporate entities such as bonds debentures.

Answer: *Lending Investments*

FBQ9: is the process of converting a new idea or technology into a business undertaking.

Answer: *Venture creation*

FBQ10: A value investor buys undervalued securities while he sells out of his investment portfolio in the capital market.

Answer: *Overvalued securities*

FBQ11: Diversification is a technique that reduces by allocating investments among various financial instruments.

Answer: *Risk*

FBQ12: One advantage of diversification is

Answer: *Risk management*

FBQ13: is an investment which is undertaking in order to reduce the risk of adverse price movement in financial asset.

Answer: *Hedge*

FBQ14: The main advantage of the hedge is that it lowers the risk of an

Answer: *Investment*

FBQ15: Is the practice of taking advantage of a price difference between two or more financial markets

Answer: *Arbitrage*

FBQ16: in finance refer to the practice of engaging in risky financial transactions in an attempt to earn profit from short term fluctuations in the market value of a tradable financial instrument.

Answer: *Speculation*

FBQ17: involves contracts that subsist between two parties, which incorporate specific terms like Dates and Maturing values.

Answer: *Derivatives*

FBQ18: derivatives are contracts that are transacted and privately sold directly between two parties, without going through any stock exchange.

Answer: *Over-the-Counter*

FBQ19: Personalise contract between two parties in which payment takes place at specific date in the future at today's pre-determined price is known as

Answer: *Forwards*

FBQ20: Futures are derivatives in which the contracts to buy or sell a specific asset on a future date at a price

Answer: *Specified today*

FBQ21: refers to a form of investment that has some relative limited liquidity when compared to other forms of investment

Answer: *Real estate*

FBQ22: Real estate investment can be because of magnitude of fund requirement.

Answer: *Capital intensive*

FBQ23: One factor that can make real estate investment to result in failure is the absence of

Answer: *Due diligence*

FBQ24: The practice where depreciation, tax liability and carryover losses are charged against income from other sources for a period of about three decades is called.....

Answer: *Tax shelter offsets*

FBQ25: The summation of all positive cash inflows from rent and other sources of ordinary income generated by a property, minus the amount of ongoing expenses is known as

Answer: *Net operating income*

FBQ26: Refers to the increase in the investor's equity ratio as the portion of debt service payments devoted to principal accrue over time.

Answer: *Equity build-up*

FBQ27: The rise in the prevailing price (market value) of a property over a period of time, being realized as a cash inflow whenever the property is sold is called

Answer: *Capital appreciation*

FBQ28: A property in the possession of a buyer can become a foreclosure if he or she fails to make a mortgage payment for at least

Answer: *Three months*

FBQ29: A common name for Gold, Silver, Platinum, Diamond and Copper is

Answer: *Metal*

FBQ30: refers to the owners' contribution to the capital funding of the business

Answer: *Equity capital*

FBQ31: refers to the amount of funds in the structure of the capital that is borrowed from outside sources of financing.

Answer: *Debt capital*

FBQ32: stages are involved in venture round financing being provided by venture capitalists.

Answer: *Six*

FBQ33: Preference shares attract fixed rate of

Answer: *Dividends*

FBQ34: property is regarded as the creations of the intellect for which a monopoly is granted to the designated owners by law.

Answer: *Intellectual*

FBQ35: market exists for the purpose of mobilization and intermediation of fund.

Answer: *Financial*

Multiple Choice Questions (MCQs):

MCQ1: Which of the followings is a money market instrument?

Answer: Debentures

MCQ2: The money market is a market for-----

Answer: Long Term Debt Instrument

MCQ3: The two sections that make up the Financial market are-----

Answer: Capital market and Stock market

MCQ4: The market for long term credit is-----

Answer: Money market

MCQ5: Which of the following instrument is not traded in the Capita market?

Answer: Ordinary Shares

MCQ6: Capital gains are generated from an appreciation on the value of-----

Answer: Purchased Assets

MCQ7: The maturity period for Treasury bills is-----

Answer: 30 days

MCQ8: Mortgages are long term loans that are secured by-----

Answer: Financial Assets

MCQ9: In property investment, a large portion of purchase price is through debt instrument such as:

Answer: Micro Credit

MCQ10: Capital gains investing is the art of buying and selling an assets for-----

Answer: A loss

MCQ11: The different methods of saving money is classified into -----

Answer: Two

MCQ12: Which of the following is not a reason for building personal cash flow?

Answer: Transaction motive

MCQ13: Personal Financial planning process involves -----steps

Answer: Two steps

MCQ14: Which of the following is not a step in personal financial planning process?

Answer: Assessment

MCQ15: Which of the following accounts attracts interest payment to the account holder?

Answer: Current account

MCQ16: The -----account attracts commission on turnover (COT).

Answer: Savings

MCQ17: Savings accounts holders are restricted in withdrawing their money by leaving-----

Answer: Maximum balance

MCQ18: Another name for Contingency fund is -----

Answer: Consolidated fund

MCQ19: Contingency fund could be classified into -----

Answer: Long-term and Medium-term

MCQ20: Risk which is insurable has how many characteristics?

Answer: Two

MCQ21: Specific kinds of risk that may give rise to claims are known as-----

Answer: Premium

MCQ22: Motor vehicle insurance protects the policyholder against financial loss in the event of an-----

Answer: Flood

MCQ23: Disability insurance police provide financial support in the event of the policyholder becoming unable to work because of-----

Answer: Industrial accident or sickness

MCQ24: Workers' compensation insurance replaces all or part of a worker's wages lost and accompanying medical expenses incurred because of

Answer: Market-related sickness

MCQ25: How much allowance is provided per child in the Personal Income Tax Act (PITA)?

Answer: N 1,500.00

MCQ26: Child's allowance is given subject to maximum number of -----

Answer: 8 children

MCQ27: Investment is very important because it could be used to -----

Answer: Generate employment

MCQ28: One of the ways to reduce the risk of investment is by

Answer: Buying on credit

MCQ29: Financial products, like Stock, Bonds, Treasury bills, and Treasuring
certificate floated by Government is known as -----

Answer: Founders' securities

MCQ30: Financial products of high net worth companies are regarded as

Answer: Yellow chip securities

MCQ31: Marketable securities refer to money market financial instruments that are
easily convertible to -----

Answer: Debt instrument

MCQ32: According to Bhavé (1994), one of the following is not a stage in the
process of venture creation.

Answer: Opportunity Recognition stage

MCQ33: The strategic role of the Entrepreneur in creating a new venture revolves
around -----

Answer: Developing an old business site

MCQ34: The major benefit from investment is the return on the -----

Answer: Stock sold

MCQ35: Diversification means that an investor should invest in

Answer: Single asset

Question FBQ1 : According to economists, investment is regarded as savings embarked upon as a result of _____

Answer: delayed consumption

Question FBQ2 : Investment requires_____ which implies that funds will have to be expended by the person who is investing.

Answer: financial commitments

Question FBQ3 : Arbitrage refers to the practices of taking advantage of a price _____ between two or more financial market

Answer: difference

Question FBQ4 : In finance, an investment involves utilization of funds in acquisition of _____assets

Answer: financial

Question FBQ5 : _____ is regarded as a monetary charge imposed by the government on persons, entities, transactions and properties to yield revenue

Answer: Tax

Question FBQ6 : Financial products floated by the government of a country are known as _____ securities

Answer: gilt-edge

Question FBQ7 : Financial products of high networth companies are regarded as _____ securities

Answer: blue chip

Question FBQ8 : Equity capital refers to the _____ contribution

Answer: Owner's

Question FBQ9 : _____ means the ease with which an investment can be converted into cash

Answer: Liquidity

Question FBQ10 : A _____ refers to a financial product which has its value dependent on the outcome of the original financial product as investment by the managers of the funds.

Answer: derivative

Question FBQ11 : Co-operative society as an aggregation of co-operators who _____ their funds together through regular saving

Answer: pooled

Question FBQ12 : Derivative instruments can be traded over the counter

Answer: True

Question FBQ13 : Owning a current and savings account have the same requirements

Answer: False

Question FBQ14 : The fundamental purpose of investment is to generate _____

Answer: Earnings Earnings

Question FBQ15 : The individual or entity who subscribe to insurance policy against rises is called _____

Answer: policy holder

Question FBQ16 : Beta neutral approach is one way to

Answer: hedge

Question FBQ17 : Investment is regarded as saving embarked upon as a result of

Answer: Debuted consumption

Question FBQ18 : Real estate _____ is another means of ensuring investment in real estate with some sort of raising equity financing in smaller amount

Answer: crowding fund

Question FBQ19 : Brokerage is another word for

Answer: Arbitrageur

Question FBQ20 : The payment to the holder of a right or owner of an asset for the using the property is called what?

Answer: Royalties

Question FBQ21 : Portfolio optimization is achieved by placing a larger percentage of high return investment in a_____

Answer: Diversified portfolio

Question FBQ22 : Beta is the historical correlation between a stock and an

Answer: index

Question FBQ23 : Prevailing Price of Stock less Original price is equals to _____

Answer: earning

Question FBQ24 : In venture capital, you do not need to formulate an idea, the idea is already there for you to just take. This statement is _____

Answer: False

Question FBQ25 : _____ provides some leverage or gearing such that a small movement in the underlying asset value can cause a large difference in the value of the derivative

Answer: Speculation

Question FBQ26 : T-bills normal have a maturity date less than _____ year(s)

Answer: one

Question FBQ27 : What type of derivative is a personalized contract between two parties in which payment takes place at a specific date in the future at today's pre-determined price as agreed upon by both parties?

Answer: Forwards

Question FBQ28 : _____ portfolio is a situation where investor who is willing to take a given amount of risk can invest more aggressively with a property

Answer: Non-diversified

Question FBQ29 : Hedging is the practice of taking a_____ in one market of offset and balance against the risk adopted by assuming a position in a contrary market.

Answer: Position

Question FBQ30 : _____ are derivatives in which the contracts to buy or sell a specified asset on a future date at a price specified today

Answer: Futures

Question FBQ31 : _____ is when the buyer has a right to buy a certain quantity of the underlying asset, at a specified price on or before a given date in the future, but he has no obligation to carry out this right

Answer: Call option

Question FBQ32 : _____ is a contract in which the buyer has the right to sell a certain quantity of an underlying asset, at a specified price on or before a given date in the future, but he has no obligation to carry out this right.

Answer: Put option

Question FBQ33 : _____ are derivatives in relation to options that are contracts which provide the owner the opportunity for an “all-or-nothing” profit from the contract

Answer: Binary options

Question FBQ34 : _____ derivatives refer to contracts which involve the exchange of cash (flows) on or before a specified future date

Answer: Swap

Question FBQ35 : _____ is provided is when a startup seeks funding in between full venture capital rounds

Answer: Bridge financing

Question MCQ1 : _____ derivatives refer to contracts which involve the exchange of cash (flows) on or before a specified future date

Answer: Swaps

Question MCQ2 : The main objective of saving account is to promote _____

Answer: Savings

Question MCQ3 : Which of the following is not a type of commodity for investment?

Answer: None of the options

Question MCQ4 : _____ refers to the process of converting a new idea or technology into a business undertaking which can succeed and is invariably capable of attracting investors.

Answer: Venture creation

Question MCQ5 : _____ investment involves buying undervalued securities while selling overvalued ones out of the investment portfolio in the capital market

Answer: Value

Question MCQ6 : _____ is an investment which is undertaking in order to reduce the risk of adverse price movements in a financial asset

Answer: A hedge

Question MCQ7 : _____ is a technique that reduces risk by allocating investments among various financial instruments, industries and other categories

Answer: Diversification

Question MCQ8 : Brokerage is another word for

Answer: Arbitrageur

Question MCQ9 : _____ Is a type of tax

Answer: PAYE

Question MCQ10 : According Gardon (_____), there is a remarked difference between capital gains investing and the game of speculation

Answer: 2014

Question MCQ11 : _____ are options to purchase common stock at a specified price up to a specified date

Answer: Warrants

Question MCQ12 : This is a time draft or postdated instrument payable to a seller of goods, with payment guaranteed by a bank

Answer: Banker's acceptance

Question MCQ13 : According Gardon (2014), there is a remarked _____ between capital gains investing and the game of speculation

Answer: Difference

Question MCQ14 : A hedge can be constructed from many types of

Answer: financial instruments

Question MCQ15 : _____ refers to a means with which take protection from financial loss in business generally

Answer: Insurance

Question MCQ16 : Under the current Nigerian law, taxation is enforced by the which tier of government (a) one (b) five (c) six (d) three

Answer: three

Question MCQ17 : Safety of investment can always be guaranteed

Answer: FALSE

Question MCQ18 : Subrogation is the legal principles of

Answer: insurance

Question MCQ19 : Missing one of the legs of the trade and subsequently having to trade it soon after at a worse price is called

Answer: execution risk

Question MCQ20 : The _____ is a document which sets broad parameters for taxation and ancillary matters connected with taxation

Answer: National Tax Policy

Question MCQ21 : _____ investing is the art of buying and selling an asset for a profit

Answer: Capital gains

Question MCQ22 : Building personal cash flows essential involves the act of saving money towards maintaining cash reserves for future _____

Answer: Utilization

Question MCQ23 : _____ refers to the practice of taking advantage of a price difference between two or more financial markets

Answer: Arbitrage

Question MCQ24 : _____ involves contracts that subsist between two parties, which incorporate specific terms

Answer: Derivatives

Question MCQ25 : A popular valuation metric is _____ with application for example to valuing unlisted companies and mergers and acquisition

Answer: EBITDA

Question MCQ26 : _____ repays some or all of a loan when the borrower is insolvent

Answer: Credit insurance

Question MCQ27 : According to economists, equipment acquired by a firm for production with which to earn income from its operations in the long run is a/an _____?

Answer: Investment

Question MCQ28 : Tax is a monetary levy imposed on individuals to generate revenue for who?

Answer: The government

Question MCQ29 : _____ products can be used for: insuring against price movements such as in the case of hedging; guiding against exposure to price movements for speculation

Answer: Derivative

Question MCQ30 : Contingency fund can be categorized into ____ main areas

Answer: 2

Question MCQ31 : _____ is associated with the cliché that you should “not put all your eggs in one basket.”

Answer: Diversification

Question MCQ32 : There are mainly _____ types of risk that are associated with investment in the capital market

Answer: Two

Question MCQ33 : _____ is one of the hardest investments to make because it requires more than just money

Answer: Entrepreneurship

Question MCQ34 : The steps involved in personal financial planning process Include all of the following except _____

Answer: Goal division

Question MCQ35 : The essence of investment hinges on _____ returns

Answer: Expected

FBQ1: Another way to _____ is the market approach

Answer: hedge

FBQ2: Investment requires _____ which implies that funds will have to be expended by the person who is investing.

Answer: financial commitments

FBQ3: Arbitrage refers to the practices of taking advantage of a price _____ between two or more financial market

Answer: Difference

FBQ4: Lower risk of investment lowers the risk of an _____ significantly

Answer: investment

FBQ5: Another way to invest wisely in _____ involves the use of speculation

Answer: financial market

FBQ6: In speculation, dealer in _____ market pay little attention

Answer: Financial

FBQ7: The real estate market are well structured as comparable to _____ market

Answer: Financial

FBQ8: Equity capital refers to the _____ contribution

Answer: owners

FBQ9: Real estate _____ can be risky in nature, as a form of investment

Answer: Investment

FBQ10: Derivative refers to contract that _____ its value forms the performance of an underlying entity

Answer: Originates

FBQ11: Co-operative society as an aggregation of co-operators who _____ their funds together through regular saving

Answer: pooled

FBQ12: _____ refers to one part of one's assets, usually deposits in savings account

Answer: savings

FBQ13: Cash flow involves generating regular income from _____ assets

Answer: Investment

FBQ14: _____ can also be done with thrifts and credit society or a cooperative society

Answer: Saving

FBQ15: Capital gains are generated from an appreciation on the value of _____ assets

Answer: Investment

FBQ16: In _____ securities are traded as short term instrument

Answer: money market

FBQ17: There is a remarked difference between _____ gains investing and speculation

Answer: Capital

FBQ18: _____ is another means of ensuring investment in real estate with some sort of raising equity financing in smaller amount

Answer: real estate crowding fund

FBQ19: Money market is the financial market in which _____ are traded with maturity of up to one year

Answer: financial instrument

FBQ20: Maturities exceed for _____ year

Answer: one year

FBQ21: Work of _____ is types under intellectual property

Answer: Art

FBQ22: When maturities exceed _____ years the market is considered as a Capital market

Answer: Five

FBQ23: _____ is the exclusive right of the copy right holder.

Answer: fair use

FBQ24: _____ refers to some payment that are made by one company to another company in exchange for the right to use intellectual property

Answer: Royalties

FBQ25: _____ separating system is intellectual property that qualifies for royalty

Answer: Windows

FBQ26: T-bill normal has a maturity date of some month but less than _____ year

Answer: One

FBQ27: Marketable securities refers to money market _____ instrument

Answer: Financial

FBQ28: _____portfolio is a situation where investor who is willing to take a given amount of risk can invest more aggressively with a property

Answer: non-diversified

FBQ29: Hedging is the practice of taking a_____ in one market of offset and balance against the risk adopted by assuming a position in a contrary market.

Answer: Position

FBQ30: _____is missing one of the legs of the trade and subsequently having to trade it soon after at a worse price

Answer: execution risk

FBQ31: It is advisable to use a _____ investment when making a large investment,

Answer: Hedge

FBQ32: Under the current Nigerian law, taxation is enforced by the _____ tiers of government

Answer: Three

FBQ33: Hedging investor is an _____which is undertaking in order to reduce the risk if adverse price movement in a financial asset

Answer: Investment

FBQ34: It is advisable to engage services of _____ since they are professionals in such market

Answer: brokerage firms

FBQ35: The term _____ is fraught with many definitions but such expositions recognize the fact that investment requires financial commitments which implies that funds will have to be expended by the person who is investing

Answer: investment

MCQ1: The individual or entity who subscribes to an insurance policy against risks is called _____

Answer: Policy holder

MCQ2: A neutral approach is one way to

Answer: Hedge

MCQ3: Investment is regarded as saving embarked upon as a result of

Answer: Deferred consumption

MCQ4: Investment is done with the intention of generating

Answer: Higher Return

MCQ5: Hedging is a strategy that can be used to take advantages of risks

Answer: investment

MCQ6: Hedging can be used in other ways such as

Answer: Hedging

MCQ7: Missing one of the legs of the trade and subsequently having to trade it soon after at a worse price is called

Answer: Execution risk

MCQ8: Brokerage is another word for

Answer: Arbitrageur

MCQ9: Crowding fund is very much practice in U.S

Answer: Real Estate

MCQ10: The payment to the holder of a right or owner of an asset for the using the property.

Answer: Royalties

MCQ11: Diversification is the sort of thing that suffers from what is called

Answer: Double Dip

MCQ12: Portfolio optimisation is achieved by placing a larger percentage of high return investment in a ____

Answer: Diversified portfolio

MCQ13: Beta is the historical correlation between a stock and a/an

Answer: Index

MCQ14: A hedge can be constructed from many types of

Answer: Financial instruments

MCQ15: A document which sets broad parameters for taxation and ancillary matters connected with taxation is called

Answer: The National Tax Policy

MCQ16: Under the current Nigerian law, taxation is enforced by the which tier of government (a) one (b) five (c) six (d) three

Answer: Three

MCQ17: The individual or entity who subscribe to insurance policy against rises is the _____ or _____

Answer: Insured or policy holder

MCQ18: Subrogation is the legal, principles of

Answer: Insurance

MCQ19: Missing one of the legs of the trade and subsequently having to trade it soon after at a worse price is called

Answer: Execution Risk

MCQ20: When you are making a large investment, it is advisable to use

Answer: Hedge

MCQ21: A monetary charge imposed by the government on person, entities transaction and properties to yield revenue is called

Answer: Tax

MCQ22: The practice of taking a position in one market of offset and balance against the risk adopted by assuming a position in a contrary or opposing market or investment marketer

Answer: Hedging

MCQ23: In respect of hedging as stock price a common hedging technique used in the financial market for equity technique

Answer: Long/Short

MCQ24: The historical correlation between a stock and an index is called

Answer: Beta

MCQ25: Charge imposed by the government on person, entities transaction and properties to yield revenue is known as

Answer: Monetary

MCQ26: The document which sets broad parameters for taxation and ancillary matters connected with taxation is known as

Answer: The national tax policy

MCQ27: What are professionals in investment market called?

Answer: Brokerage Firms

MCQ28: The reduction in volatility of a financial assets price movements is known as

Answer: Diversification

MCQ29: Property regarded as the creations of the intellect for which a monopoly is granted to the designated owner by law.

Answer: Intellectual

MCQ30: A unit of capital ownership in a firm in terms of equity investment by the shareholder

Answer: The ordinary share

MCQ31: Which of the methods can be useful toward marking return on your fund?

Answer: Speculation

MCQ32: Which of the following method is used economical by reserving money for future use?

Answer: Saving

MCQ33: What can be used to avoid paying taxes?

Answer: Speculation

MCQ34: Which of the following usually buy undervalued securities?

Answer: Risker investor

MCQ35: Which of the following is the legal principles of insurance.

Answer: Subrogation