

Assessing your understanding

## Principles for successful investing – Equities

1. Define ownership.
2. Define equity.
3. List 2 different classes of stock ownership in a corporation.
4. List several reasons a business would sell shares to the public.
5. What is the primary motivation and benefit for an investor to buy stock in a business?
6. Define capitalization.
7. Define market capitalization.
8. List 4 major categories of market capitalization for U. S. stocks.
9. Describe the purpose and behavior of equities in the asset mix of a portfolio.
10. Over the last 60 years, what asset class, if any, has provided a greater return to investors than equities?