Section 3: Guided Reading and Review

The Stock Market

A. As You Read
As you read Section 3, supply the missing information to complete each sentence in the spaces provided.

1. Income stocks pay ________________________________.
2. Growth stocks can be profitable because they ________________________________.
3. Investors experience capital gains when they ________________________________.
4. Investors suffer capital losses when they ________________________________.
5. Stocks are riskier than bonds because ________________________________.
6. Blue chip stocks are traded on the ________________________________.
7. A put option is the option to ________________________________.
8. During a bear market, investors sell because ________________________________.

B. Reviewing Key Terms
Match the descriptions in Column I with the terms in Column II. Write the letter of the correct answer in the blank provided. You will not use all the terms.

**Column I**

9. steady, extended rise in stock market
10. electronic marketplace for stock not listed on an organized exchange
11. claims of ownership in a corporation
12. making high-risk investments with borrowed money in the hope of getting a big return
13. market for buying and selling stock
14. person who links buyers and sellers of stocks
15. 1929 collapse of the stock market
16. business specializing in trading stocks
17. contracts to trade stock at a specific price and time in the future

**Column II**

a. stockbroker
b. options
c. bear market
d. Great Crash
e. brokerage firm
f. bull market
g. equities
h. OTC market
i. speculation
j. stock exchange