Investment and Finance Unit 3 Test Review:

Rule of 72

Compound interest

Simple interest

|  |
| --- |
| Annual Interest  = |
| Capital Gain per year  = |
| Annual Income  = |
| Average Price of Bond  = |
| Yield  = |

Know how to do the problems from class as well as the ones on the test review on my website.

Go over all power points we did in class.

Be able to explain the following:

Bonds

Maturity Date

Term

Par Value

Coupon Rate

Mutual Funds

Know the seesaw example

Compare bonds to other investments

What are you looking at when deciding to invest in a bond or not, how will you decide to invest or not?

Mutual funds – who buys them and why

Are mutual funds good or bad? Explain

Diversification – how does it work (theory behind it) and give an example of how someone can diversify their portfolio.

Everything we have covered in class related to this unit is fair game for the test.