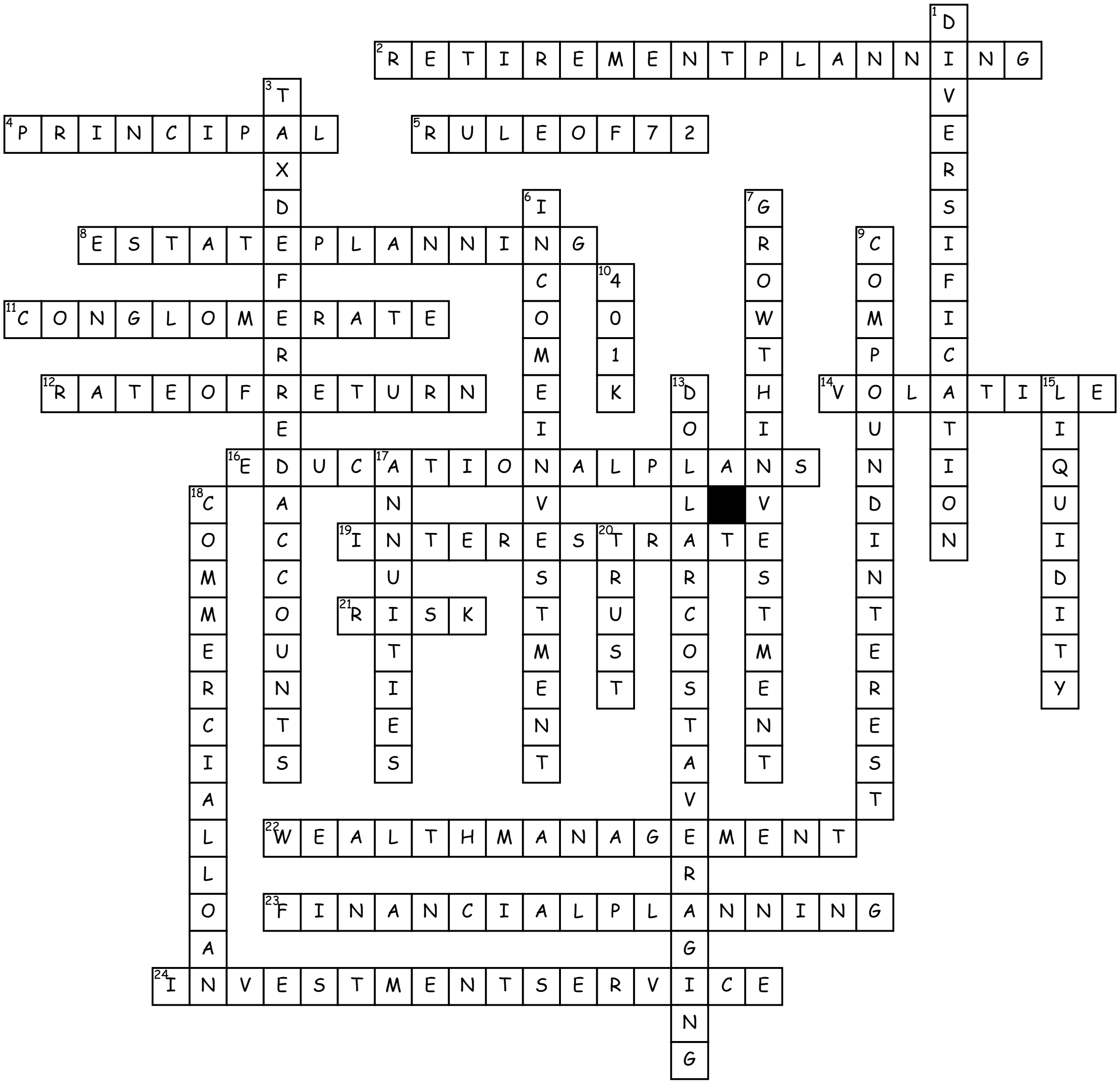
Name: ______________________________ Date: _______ Period: _______

Unit 6: Introduction to Investing



Across

2. Anticipating a desired or necessary future income after retirement and then creating a plan for the amount of savings and investment needed to create that future income.

4. The original amount of money a person invests (as opposed to interest).

5. The rule is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual rate of return, investors can get a rough estimate of how many years it will take for the initial investment to duplicate itself.

8. Helping individuals or a family determine in advance what will happen to their money and other assets after the death of one or more individuals in the family.

11. A combination of two or more corporations engaged in entirely different businesses that fall under one corporate structure.

12. The amount of money gained or lost on an investment relative to the amount of money invested, usually expressed as an annual percentage.

14. Subject to fast, extreme changes in price or value.

16. Accounts that permit individuals to save and invest funds without paying taxes on the income from the investment as long as the proceeds are eventually applied to legitimate educational expenses at an accredited institution.

19. The percentage return on an investment over a set time period, usually a year.

21. The chance that the rate of return on an investment will be different from what you expected.

22. Planning investments and other transactions to match the money and other assets available to an individual over time to the ways in which they want to spend those assets, including personal consumption, charitable donations, support for family members, and gifts.

23. Describing a future financial goal and computing the kinds of income, savings, and investment that will be necessary to achieve the financial goal.

24. A company whose main business is holding securities of other companies purely for investment purposes. The investment company invests money on behalf of shareholders who in turn share in the profits and losses.

Down

1. The strategy of pursuing an assortment of investments to minimize the effects of risk and volatility.

3. Accounts that can receive and hold funds for a specific purpose such as retirement, college tuition, or medical expenses. If these accounts are established according to federal tax rules, the owner of the account will not have to pay income taxes on the money placed in them until it is withdrawn

6. A safer type of investment with a lower potential for return but that provides regular incomes to investors. Examples include savings accounts and certificates of deposit.

7. A riskier type of investment with a higher potential for return. Examples include stocks, bonds, and mutual funds

9. A method of interest payment. This is calculated by adding the interest earned by the investment to the previously earned interest. Each time interest is added to your savings the next interest amount is compounded on the new balance.

10. An employer-sponsored retirement plan that allows a worker to save for retirement while deferring income taxes on the saved money and earnings until withdrawal.

13. Regularly purchasing stocks or mutual funds, whether they are high or low, by investing a constant dollar amount so that over the long term the high and low prices of the investment products average out.

15. The ease with which an investment can be converted into cash.

17. Investment contracts in which the investor exchanges a sum of money for a series of payments over time.

18. A loan to a company to finance a wide array of business purposes—from short-term inventory financing to long-term investments in equipment.

20. A legal relationship in which one person or company holds property, which can include money, real estate, stocks, bonds, collections, automobiles, and personal possessions for the benefit of another.