Answer Key

Chapter 11

Section 2

Reading Study Guide

Graphic Organizer:
objectives: Time and income play the largest roles in determining the best investments. (time—short-term, e.g. vacation or purchases vs. long-term, e.g. retirement or college; income—after expenses, save for emergencies, pay off debts, consider taxes); risk vs. return: There is a direct relationship between risk and return. Higher risk investments have the potential for higher returns. high-risk = stocks, corporate bond; Lower risk investments have lower potential for returns. low-risk = insured accounts, government bonds

Mark It Up!

1. 18-month CD
2. Shares of dot.com stock
3. through loss of purchasing power

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