

Session 42

The Grand Finale

Test

1. Which of the following will affect the time horizon that you have as an investor?
 - a. Your patience or impatience, as a person.
 - b. Your age
 - c. Your job security
 - d. Your health
 - e. All of the above
2. If you have a medium term time horizon and believe that markets over react to news and correct themselves over time, which of the following investment philosophies would best fit you?
 - a. Momentum investing, based upon trend lines and trading volume
 - b. Passive value investing, where you buy stocks with low PE ratios.
 - c. Near arbitrage investments (Example: buying closed end funds)
 - d. Information trading, where you buy stocks after very negative earnings surprises and hold for a few months.
 - e. Passive growth investing, where you buy growth companies where you believe that the growth is being under priced.
3. If you are a market timer, you cannot be a stock picker.
 - a. True
 - b. False
4. Which of the following combinations of investment philosophies are incompatible?
 - a. Passive value investing + Contrarian value investing
 - b. Technical momentum investing + Passive Growth investing
 - c. Passive growth investing + Active growth investing
 - d. Technical Momentum investing + Contrarian Market Timing
 - e. Pure arbitrage + Near arbitrage
 - f. None of the above
5. Which of the following is the best investment philosophy for you?
 - a. The philosophy that has delivered the best returns over time.
 - b. The philosophy that is practiced by most other investors
 - c. The philosophy that has the lowest trading costs
 - d. The philosophy that is used by great investors
 - e. The philosophy that best fits you as an investor