Name ___________________________________

Chapter 14: Investing in Stocks

Across

2. An investment theory based on the assumption that stock price movements are purely random; also called the "random walk theory."
5. A plan that allows stockholders to purchase stock directly from a corporation without having to use an account executive or a brokerage firm.
6. Occurs when a corporation sells stock to the general public for the first time. (abbreviation)
9. One hundred shares or multiples of 100 shares of a particular stock.
11. The yearly dollar amount of income generated by an investment divided by the investment's current market value.
15. The right to buy or sell a stock at a predetermined price during a specified period of time.
16. A network of dealers who buy and sell the stocks of corporations that are not listed on a securities exchange.
19. A procedure in which the shares of stock owned by existing stockholders are divided into a larger number of shares.
21. A stock issued by a corporation that has the potential of earning profits above the average profits of all firms in the economy.
22. A safe investment that generally attracts conservative investors.
27. Stock whose unpaid dividends accumulate and must be paid before any cash dividend is paid to common stockholders.
28. A request to buy or sell a stock at a specified price.
29. A yield that takes into account the total return, the original investment, and the time the investment is held.
32. A stock issued by a company that has a capitalization of $500 million or less.
37. A market for existing financial securities that are currently traded among investors.
39. The price of a share of stock divided by the corporation's earnings per share of stock.
40. Determined by deducting all liabilities from the corporation's assets and dividing the remainder by the number of outstanding shares of common stock.
41. An index that compares the risk associated with a specific stock issue with the risk of the stock market in general.
42. A financial firm that assists corporations in raising funds, usually by helping to sell new security issues.
43. An electronic marketplace for over 5,000 different stocks.
44. A marketplace where member brokers who represent investors meet to buy and sell securities.
45. A stock that follows the business cycle of advances and declines in the economy.
46. A speculative technique whereby an investor borrows part of the money needed to buy a particular stock.

Down

1. A plan that allows current stockholders the option to reinvest or use their cash dividends to purchase stock of the corporation.
3. A corporation's after-tax earnings divided by the number of outstanding shares of a firm's common stock.
4. A market in which an investor purchases financial securities, via an investment bank or other representative, from the issuers of those securities.
7. Fewer than 100 shares of a particular stock.
8. A request to buy or sell a stock at the current market value.
10. A legal form that lists the issues to be decided at a stockholders' meeting and requests that stockholders transfer their voting rights to some individual or individuals.
12. A stock that remains stable during declines in the economy.
13. Buys or sells a particular stock in an effort to maintain an orderly market.
14. A long-term technique used by investors who pruchase an equal dollar amount of the same stock at equal intervals.
17. Selling stock that has been borrowed from a brokerage firm and must be replaced at a later date.
18. An order to buy or sell a security that lets the account executive decide when to execute the transaction and at what price.
20. A licensed individual who buys or sells securities for clients; also called a stockbroker.
23. The total amount of securities issued by a corporation.
24. The date on which a stockholder must be registered on the corporation's books in order to receive dividend payments.
25. An investment theory based on the assumption that a stock's intrinsic or real value is determined by the company's future earnings.
26. An investment theory based on the assumption that a stock's market value is determined by the forces of supply and demand in the stock market as a whole.
30. An order to sell a particular stock at the next available opportunity after its market price reaches a specified amount.
31. An assigned (and often arbitrary) dollar value that is printed on a stock certificate.
33. Excessive buying and selling of securities to generate commissions.
34. A stock that pays higher-than-average dividends.
35. A stock issued by a large corporation that has a large amount of stock outstanding and a large amount of capitalization, usually in excess of $5 billion.
36. Investments, including stocks and bonds, mutual funds, options, and commodities, traded on securities exchanges or the over-the-counter markets.
38. A calculation that includes the yearly dollar amount of income as well as any increase or decrease in the original purchase price of the investment.
39. A stock that typically sells for less than $1 per share.