Question 1: Which of the following states that investors with loss will increase their risk tolerance in future transactions?

    Loss aversion
    Prospect theory
✅ Illusion of control
    Anchoring

Question 2: Which of the following statements is FALSE about Earnings per Share?

    It is calculated by dividing Net income over number of shares outstanding.
    Earnings per share is a ratio, which is used for share price evaluation.
    Earnings per share relate income with ownership.
✅ It is a liquidity measure.

Question 3: Positive abnormal returns for corporate insiders constitute a violation of:

    Weak form efficiency
    Semi-strong form efficiency
✅ Strong-form efficiency
    Weak and strong form of efficiency

Question 4: Which of the following involves dividing an investment portfolio among different financial assets?

    Securitization
    Sector rotation
✅ Asset allocation
    Risk aversion

Question 5: The average value of beta for all stocks in the market is:

    0.5
✅ 1
    1.5
    2

Question 6: Which of the following is a basket of stocks that tracks a particular sector, investment style, geographical area, or the market as a whole?

✅ Exchange traded fund
    Open-end fund
    Closed-end fund
    Unit investment trust