

19 Lecture - MGT201

Important Mcqs

1. **What is risk in the context of single stock investment?**

- A) The profit generated by an investment
- B) The probability of achieving expected return
- C) The extent of fluctuations in the stock's returns
- D) The cost of investing in a stock

Answer: C

2. **What is the measure of risk associated with a stock?**

- A) Expected return
- B) Standard deviation
- C) Dividend yield
- D) Price to earnings ratio

Answer: B

3. **What factors can contribute to risk in single stock investment?**

- A) Market volatility
- B) Company-specific risks
- C) External factors like political instability
- D) All of the above

Answer: D

4. **What is the relationship between risk and return?**

- A) Negative
- B) No relationship
- C) Positive
- D) Inverse

Answer: C

5. **What is the meaning of return in single stock investment?**

- A) The probability of achieving expected return
- B) The profit generated by an investment
- C) The cost of investing in a stock
- D) The extent of fluctuations in the stock's returns

Answer: B

6. **What is the primary concern of investors when considering single stock investment?**

- A) Maximizing return
- B) Minimizing risk
- C) Balancing risk and return
- D) Achieving market average return

Answer: C

7. **Which of the following can contribute to company-specific risk in single stock investment?**

- A) Changes in leadership

- B) Changes in regulations
- C) Industry-wide trends
- D) All of the above

Answer: A

8. **What is the typical measure of market risk?**

- A) Standard deviation
- B) Beta
- C) Dividend yield
- D) Price to earnings ratio

Answer: B

9. **What is the primary way investors manage risk in single stock investment?**

- A) Diversification
- B) Short selling
- C) Margin trading
- D) Stock picking

Answer: A

10. **Which of the following factors can impact both risk and return in single stock investment?**

- A) Market volatility
- B) Company-specific risks
- C) Economic conditions
- D) All of the above

Answer: D