

16 Lecture - MGT401

Important Mcqs

1. What is the typical time frame for long-term investments?

- A) 1-2 years
- B) 3-5 years
- C) 10 years or more
- D) None of the above

Answer: C) 10 years or more

2. Which of the following investments is typically considered a long-term investment?

- A) Savings account
- B) Certificate of deposit (CD)
- C) Stocks
- D) All of the above

Answer: C) Stocks

3. What is the primary goal of long-term investments?

- A) To generate short-term gains
- B) To maximize current income
- C) To build wealth over time
- D) To minimize risk

Answer: C) To build wealth over time

4. Which of the following investment strategies is typically associated with long-term investments?

- A) Buy and hold
- B) Day trading
- C) Swing trading
- D) Option trading

Answer: A) Buy and hold

5. Which of the following investment vehicles is typically associated with long-term investments?

- A) Mutual funds
- B) Options
- C) Futures

D) Forex

Answer: A) Mutual funds

6. Which of the following statements is true about long-term investments?

- A) They are generally more volatile than short-term investments.
- B) They offer higher returns than short-term investments.
- C) They require frequent monitoring and trading.
- D) They are focused on short-term gains.

Answer: B) They offer higher returns than short-term investments.

7. What is the primary risk associated with long-term investments?

- A) Liquidity risk
- B) Market risk
- C) Inflation risk
- D) Interest rate risk

Answer: B) Market risk

8. Which of the following asset classes is typically associated with long-term investments?

- A) Real estate
- B) Gold
- C) Bonds
- D) All of the above

Answer: D) All of the above

9. Which of the following is a common strategy for managing risk in long-term investments?

- A) Diversification
- B) Concentration
- C) Market timing
- D) Speculation

Answer: A) Diversification

10. Which of the following is an example of a long-term investment goal?

- A) Saving for a vacation next year
- B) Building a retirement fund
- C) Paying off credit card debt
- D) Buying a new car in six months

Answer: B) Building a retirement fund