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 gainsB) To maximize current incomeC) To build wealth over timeD) To minimize risk
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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?
o. 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.

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

C) They require frequent monitoring and trading.

D) They are focused on short-term gains.

- 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