

Investing Glossary Word Search

Answer Key

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■ 10 Terms & Definitions

<p>STOCK</p> <p>A stock (also called a share or equity) represents ownership in a company. When you buy stock, you become a part-owner — entitled to a proportional share of the company's assets and profits. Stocks are bought and sold on exchanges like the NYSE and NASDAQ. Stock prices fluctuate</p>	<p>BOND</p> <p>A bond is a debt instrument where you lend money to a government or corporation in exchange for regular interest payments and the return of principal at maturity. Bonds are generally safer than stocks but offer lower returns. They provide predictable income and move inversely to</p>
<p>EQUITY</p> <p>Equity refers to ownership interest in an asset after subtracting liabilities. In investing, equity means ownership stake in a company through stocks. In real estate, home equity is your property value minus your mortgage balance. Equity grows as asset values rise or debts are pa</p>	<p>ASSET</p> <p>An asset is anything of economic value that you own — stocks, bonds, real estate, cash, gold, or business equipment. Assets generate income or appreciate in value over time. Financial planning involves accumulating income-producing assets. Net worth = total assets minus total lia</p>
<p>RETURN</p> <p>Return is the gain or loss on an investment over a specified period, expressed as a percentage of the initial investment. Total return includes both price appreciation (capital gains) and income (dividends, interest). Investors compare returns to benchmarks to evaluate performanc</p>	<p>RISK</p> <p>Investment risk is the possibility that an investment will lose value or underperform expectations. Different investments carry different risks — stocks carry market risk, bonds carry interest rate and credit risk, real estate carries liquidity risk. Higher potential returns gene</p>
<p>INDEX</p> <p>A market index tracks the performance of a group of stocks representing a market or sector. The S&P; 500 tracks 500 large US companies; the Dow Jones tracks 30 major companies. Indexes serve as benchmarks to compare investment performance. Index funds passively track these benchma</p>	<p>MARGIN</p> <p>Margin investing involves borrowing money from your broker to buy more securities than you could with just your own cash. While margin can amplify gains, it also amplifies losses — and you pay interest on the borrowed amount. Margin calls occur when your account falls below requi</p>
<p>BROKER</p> <p>A broker is a licensed intermediary who executes buy and sell orders for securities on behalf of clients. Full-service brokers provide advice and research for higher fees; discount brokers (like Fidelity, Schwab, Robinhood) offer low-cost execution with minimal advice. Online bro</p>	<p>PORTFOLIO</p> <p>An investment portfolio is the complete collection of an individual's or institution's investments across all asset classes. A well-constructed portfolio balances risk and return based on the investor's goals, time horizon, and risk tolerance. Diversification across assets reduce</p>