

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. What is the difference between the primary market and the secondary market for securities?
2. What is an IPO? What is its purpose?
3. List the steps in a buy transaction on a stock exchange.
4. List three advantages of direct investing.
5. What is an advantage of using a discount broker or an online broker rather than a full-service broker? What is a disadvantage?
6. What is a round lot in a stock order? What is an odd lot in a stock order?
7. Describe four types of stock market orders.
8. Explain the purpose of a market timing plan, and list three market timing plans.