

Lesson 74: Bonds

- 1.) According to the video, will stocks or bonds earn you more over time? _____
- 2.) What is a riskier investment (circle one) Bonds/Stocks.
- 3.) When you buy a bond, you own a part of a business (circle one) True/False
- 4.) Bonds are FIXED-INCOME investments. What does this mean?

- 5.) Stocks are more volatile than bonds. What does this mean?

- 6.) Do some internet research and explain what an index fund is. How is it different from an individual stock?

- 7.) According to the Investopedia article, what is a bond yield? How is it calculated? See attached article.

- 8.) Bond yields are heavily influenced by _____ rates.
- 9.) In the 1980's interest rates were as high as _____ percent! (video at 4:40) This is significant because those returns beat the average return of the S&P 500.
- 10.) According to the video, when does it make sense to buy bonds?

- 11.) Bonds become more risky when the issuer has a bad credit rating: True/False
- 12.) Countries do not have credit ratings: True/False
- 13.) In the future, do you prefer the lower but (almost) guaranteed return from bonds, or the volatile but higher return from stocks. Please explain your thoughts.
