

Business and Personal Finance © 2012

Chapter 17: Saving and Investing

Check Your Answers: Section Assessment

Section 3

Review Key Concepts

1. Internet and online services; newspapers and television news programs; business and government publications; corporate reports; statistical averages; investor services.
2. Evaluate investments before you invest. Monitor your investments by checking price quotations on the Internet, in newspapers, and on financial news programs. Keep accurate records to help you notice opportunities to increase your profits or reduce losses. Determine how taxes may affect your investments
3. Financial planners offer specific financial help and advice. He or she will: assess your current financial situation; offer a clearly written plan with investment recommendations; discuss the plan with you and answer questions; help you track your progress; guide you to other financial experts and services as needed.

Higher Order Thinking

4. Some students may say it is fair because it should be taxed like any other income that you earn. Others may say it is unfair because you already paid taxes on the money that was invested.

21st Century Skills

5. **Information Literacy** Topics and conclusions will vary, but students should present at least three articles on one investment topic from different sources. To ensure reliability and accuracy, double check the information against other sources. Only access reputable and well-established sources.

Mathematics

6. **Capital Loss** Cost basis = 500 shares \times \$54.00 = \$27,000; Proceeds from sale = 500 shares \times \$45.00 = \$22,500; Capital loss = \$27,000 - \$22,500 = \$4,500; Maximum allowable deduction = \$3,000 this year; Next year deduction = \$4,500 - \$3,000 = \$1,500