

# Stock Market Quiz Answer Key

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Directions:** Answer the questions about stocks and the stock market.

1. What do you think happens when a firm, such as Buffalo Wild Wings, sells a share of stock?  
**They sell a piece of ownership in the company.**
2. What happens when an individual buys a share of stock?  
**They buy a piece of ownership in the company.**
3. Why do corporations sell stocks?  
**To be able to raise money to expand.**
4. What is the process of selling stock to the public called?  
**An Initial Public Offering.**
5. Who sets the price of a share of stock?  
**The market interaction of buyers and sellers.**
6. Why do individuals buy stock in corporations?  
**They hope the price will go up; they can earn dividends; they can increase their earnings; they can make money.**
7. What happens if the price of a stock goes down?  
**The individual buyer will lose value and possibly lose money.**