Fundamentals of Investing (Canadian) 1st edition Zutter Test Bank

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TEST ITEM FILE

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Fundamentals of Investing
Canadian Edition

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Fundamentals of Investing, 1Ce **(Smart)**
Chapter 1 The Investment Environment

1.1 Learning Objective 1

1) A non-interest-bearing chequing account is still considered an investment.
Answer: FALSE
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

2) Land and buildings are examples of real property investments.
Answer: TRUE
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

3) Securities are investments issued by firms, governments, or other organizations that represent a financial claim on the issuer's resources.
Answer: TRUE
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Application of knowledge

4) A Government of Canada bond is an example of a debt security.
Answer: TRUE
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Application of knowledge

5) Most sources of investment information are in print format, expensive, and difficult to access.
Answer: FALSE
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

6) Which of the following is NOT an investment as defined in the text?
A) a certificate of deposit issued by a bank
B) a new automobile
C) a Government of Canada bond
D) a mutual fund held in a retirement account
Answer: B
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

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7) Stocks are a(n) _____ investment representing _____ of a business.
A) direct; ownership
B) direct; debt
C) indirect; ownership
D) indirect; debt
Answer: A
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Application of knowledge

8) An exchange traded fund that invests in the stocks of large corporations is an example of
A) direct investment.
B) indirect investment.
C) derivative investment.
D) tangible investment.
Answer: B
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

9) Which of the following has declined in both the US and Canada in recent years?
A) direct ownership of stock by individual investors
B) the percentage of foreign stocks held in typical portfolios
C) institutional ownership of common stocks
D) the timeliness of information available to investors
Answer: A
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Application of knowledge

10) Which of the following has increased in both the US and Canada in recent years?
A) direct ownership of stock by individual investors
B) the percentage of domestic stocks held in typical portfolios
C) institutional ownership of common stocks
D) indirect ownership of stocks through mutual funds and ETFs.
Answer: D
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

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11) Debt represents funds loaned in exchange for
A) dividend income and the repayment of the loan principal.
B) dividend income and an ownership interest in the firm.
C) interest income and a partial ownership interest in the firm.
D) interest income and the repayment of the loan principal.
Answer: D
Learning Objective: 1.1 Understand the meaning of the term investment, and list the attributes that distinguish one investment from another.
AACSB: Analytical thinking

1.2 Learning Objective 2

1) Institutional investors manage money for businesses and nonprofit organizations, but not for individuals.
Answer: FALSE
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

2) Institutional investors are individuals who invest indirectly through financial institutions.
Answer: FALSE
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

3) Banks and insurance companies are examples of institutional investors.
Answer: TRUE
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

4) In the financial markets, individuals are net suppliers of funds.
Answer: TRUE
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

5) The government is generally
A) not involved in the financial market.
B) the owner of the financial market.
C) a supplier of funds to the financial market.
D) a demander of funds in the financial market.
Answer: D
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

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6) On a net basis, funds in the financial markets are generally supplied by
A) individuals.
B) both individuals and business firms.
C) business firms.
D) the government.
Answer: A
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Analytical thinking

7) Stocks of large publicly traded companies
A) are rarely traded.
B) are illiquid.
C) rarely decline in value.
D) are highly liquid.
Answer: D
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Analytical thinking

8) Which of the following are true concerning institutional investors?

I. Institutional investors are professionals who manage money for other people.
II. Banks, insurance companies and mutual funds are all institutional investors.
III. Institutional investors are individuals who invest indirectly through financial institutions.
IV. Institutional investors invest large sums of money.

A) I and II only
B) I, II and IV only
C) II, III and IV only
D) I, II, III and IV
Answer: B
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

9) Which of the following is NOT traded in the securities markets?
A) stocks
B) bonds
C) derivatives
D) real estate
Answer: D
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

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10) Describe the major differences between individual and institutional investors.
Answer: Individual investors manage their own funds to achieve individual goals such as increasing financial security or financing a comfortable retirement. Institutional investors, such as mutual funds and insurance companies, manage funds for individuals who lack the time or expertise to invest individually and for other institutions such as universities or charities.
Learning Objective: 1.2 Describe the investment process and types of investors.
AACSB: Application of knowledge

1.3 Learning Objective 3

1) Bond investors lend their money for a fixed period of time and receive interest.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

2) A collection of securities designed to meet an investment goal is called a portfolio.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

3) Call options on common stock are a form of equity.
Answer: FALSE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

4) An option to purchase common stock is a type of derivative security.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Analytical thinking

5) Bonds represent a lower level of risk than do stocks in the same company.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

6) Exchange traded funds are similar to mutual funds but are traded like stocks.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

7) Mutual funds invest in diversified portfolios of securities.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

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8) Bond prices rise as interest rates decline.
Answer: TRUE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

9) Bond interest and stock dividends are different ways of distributing a corporation's earnings to its owners.
Answer: FALSE
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

10) Which of the following is an example of a tangible asset?
A) bonds
B) mutual funds
C) real estate
D) stocks
Answer: C
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

11) Which of the following would be the least liquid investment?
A) stocks
B) put options
C) money market mutual funds
D) real estate
Answer: D
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

12) Which of the following investments represents partial ownership of a corporation?
A) bonds
B) mutual funds
C) commercial paper
D) common stocks
Answer: D
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

13) Investors seeking a diversified, professionally managed portfolio of securities can purchase shares of
A) preferred stock.
B) convertible securities.
C) insurance policies.
D) mutual funds.
Answer: D
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

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14) The major difference between mutual funds and exchange traded funds (ETFs) is
A) ETFs can be bought or sold at their current price at any time during normal trading hours.
B) mutual fund portfolios are always based on one of the major market indexes.
C) ETFs invest in broadly diversified portfolios of securities.
D) ETFs are actively managed.
Answer: A
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

15) One reason that passively managed mutual funds have grown in popularity relative to actively managed mutual funds is that
A) passive fund expense ratios are lower.
B) passive fund returns are always higher.
C) active funds are too diversified.
D) active fund returns mimic a market index.
Answer: A
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

16) Over the past decade, passively managed index funds have
A) grown quite a lot.
B) declined in popularity.
C) attracted almost 100% of investment dollars.
D) almost disappeared as a fund type.
Answer: A
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

17) Briefly describe three advantages of investing in mutual funds or exchange traded funds.
Answer: The investor does not need to spend a great deal of time researching individual securities. Small investors easily achieve diversification by investing indirectly in a broad portfolio of securities. The funds are managed by professionals who presumably have expertise in making investment decisions.
Learning Objective: 1.3 Discuss the principal types of investments.
AACSB: Application of knowledge

1.4 Learning Objective 4

1) Earning a high rate of return with little or no risk is a realistic investment goal.
Answer: FALSE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

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2) Under current tax laws, most taxpayers will pay a lower tax rate on capital gains than on dividends.
Answer: FALSE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

3) Investors can postpone or avoid income taxes by investing through Registered Retirement Savings Plans.
Answer: TRUE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

4) Under current laws, a couple filing jointly with a total income of $75,000 would pay a 15% tax on capital gains.
Answer: FALSE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

5) To qualify for long-term capital gains rates, a stock must be held for at least 12 months.
Answer: TRUE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

6) Registered Retirement Savings Plans (RRSPs) allow individuals to defer taxes on the plan contributions until the funds are withdrawn from the retirement plan.
Answer: TRUE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

7) Contributions to a TFSA are not tax deductible, but subsequent earnings and withdrawals are tax free.
Answer: TRUE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

8) The taxes and tax credits are different for eligible dividends and non-eligible dividends in Canada.
Answer: TRUE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
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9) The average tax rate is the rate a person pays on their next dollar of income.
Answer: FALSE
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

10) Which of the following represent investment goals?

I. saving for major expenditures such as a house or education
II. sheltering income from taxes
III. increasing current income
IV. saving funds for retirement

A) I and IV only
B) III and IV only
C) I, III and IV only
D) I, II, III and IV
Answer: D
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

11) In selecting investments consistent with your goals, you should consider
A) rates of return and taxes only.
B) the pre-tax rate of return only.
C) annual dividends and taxes only.
D) risks, returns, and taxes.
Answer: D
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

12) Alexandra purchased a stock one year ago at a price of $64 a share. In the past year, she has received four quarterly dividends of $1.50 each. Today she sold the stock for $76 a share. Her capital gain per share is
A) $6.00.
B) $12.00.
C) $(6.00).
D) $18.00.
Answer: B
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
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13) A well-conceived investment policy statement will take into account
A) the investor's current age and economic situation.
B) the investor's preference for frequent or infrequent trading.
C) the types of investments the investor is willing to consider.
D) all of the above.
Answer: D
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

14) New investors with small amounts to invest should
A) avoid stock investments completely.
B) invest all of their money in one high-quality stock.
C) buy mutual funds or exchange traded funds (ETFs).
D) buy a portfolio of very low-priced stocks (penny stocks).
Answer: C
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

15) Research indicates that investors who monitor their portfolios less frequently
A) outperform those who hold investments for the long term and trade infrequently.
B) tend to invest in riskier assets.
C) earn rates of return similar to those who hold investments for the long term and trade infrequently.
D) are more highly educated and in higher income brackets than those who hold investments for the long term and trade infrequently.
Answer: B
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
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16)

Table 1.2	2020 (due April 15, 2021)	
Tax rates	Individual Returns	Joint Returns
10%	$0 to $9,525	$0 to $19,050
12%	$9,526 to $38,700	$19,051 to $77,400
22%	$38,701 to $82,500	$77,401 to $165,000
24%	$82,501 to $157,500	$165,001 to $315,000
32%	$157,501 to $200,000	$315,001 to $400,000
35%	$200,001 to $500,000	$400,001 to $600,000
37%	Over $500,000	Over $600,000

Josh earned $82,500 in taxable income, all from wages and interest, and files an individual tax return. What is the amount of Josh's taxes for the year 2020? Round to the nearest dollar.
A) $13,750
B) $14,090
C) $18,150
D) $12,285
Answer: B
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

17) Tax planning
A) guides investment activities to maximize after-tax returns over the long term for an acceptable level of risk.
B) ignores the source of income and concentrates solely on the amount of income.
C) is primarily done by individuals with incomes below $200,000.
D) is limited to reviewing income for the current year and determining how to minimize current taxes.
Answer: A
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

18) Investors seeking to increase their wealth as quickly as possible would invest in
A) corporate bonds and preferred stock.
B) large company stocks with high dividends.
C) smaller companies pursuing rapid growth.
D) government bonds and low-risk income stocks.
Answer: C
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
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19) A person's marginal tax rate is the rate they pay
A) on the next dollar of income.
B) on all income.
C) only on investment income.
D) only on earned income.
Answer: A
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

20) During which period are stock returns typically the lowest?
A) 6 months before a recession
B) during a recession
C) 12 months after a recession
D) there is no discernible pattern
Answer: A
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

21) Discuss the relationship between stock prices and investors' beliefs about the business cycle.
Answer: Stock prices tend to anticipate the economic conditions that investors expect in the future. When they believe that economic conditions will deteriorate and profits will decline, stock prices fall. When they expect an improving economy and higher corporate profits, stock prices rise.
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

22) What are some of the important prerequisites to investing?
Answer: Before entering into risky investments, individuals need to provide for the necessities of life such as housing, transportation, and taxes. They should have liquid assets available to meet unforeseen emergencies such as job loss, auto repairs or dental treatments. They should also have insurance for catastrophic events involving health or property.
Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
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23) Discuss the general investment philosophy and the types of investments preferred by investors in each phase of the life cycle.
Answer:

Life Cycle Phase	Philosophy	Types of Investments
Young investors	Growth	Growth stocks, options, and futures
Middle-aged investors	Growth and income	Higher quality stocks, preferred stocks, convertibles, high-grade bonds, and mutual funds
Retired investors	Preservation of capital and current income	Low risk stocks, short-term bonds, certificates of deposit

Learning Objective: 1.4 Describe the purpose and content of an investment policy statement, review fundamental tax considerations, and discuss investing over the life cycle.
AACSB: Application of knowledge

1.5 Learning Objective 5

1) Government of Canada Treasury Bills mature in 1 year or less.
Answer: TRUE
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

2) Liquidity is the ability to convert an investment into cash quickly with little or no loss of value.
Answer: TRUE
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

3) Short-term investments generally provide liquidity, safety, and a high rate of return.
Answer: FALSE
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

4) Money market accounts, certificates of deposit, bonds and commercial paper are all forms of short-term investment vehicles.
Answer: FALSE
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

5) Investors can use short-term securities as a temporary place to "park" funds before deciding where to invest the money on a long-term basis.
Answer: TRUE
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

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6) The primary risk associated with a short-term investment is
A) purchasing power risk.
B) default risk.
C) interest rate risk.
D) economic risk.
Answer: A
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

7) Short-term investments

I. provide liquidity.
II. fill an important part of most investment programs.
III. provide a high rate of return with low risk.
IV. provide resources for emergencies.

A) I and IV only
B) II and IV only
C) I, II and IV only
D) I, II, III and IV
Answer: C
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

8) Which of the following short-term investments provide the most liquidity?
A) a guaranteed investment certificate
B) a corporate bond
C) money market mutual funds
D) a chequing account
Answer: D
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

9) Canada Deposit Insurance Corporation (CDIC) insures up to $100,000 per account for
A) deposits in Chequing Accounts.
B) deposits in Savings Accounts.
C) chequing and savings accounts in Credit Unions.
D) all of the above.
Answer: D
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

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10) Which of the following has the lowest level of risk?
A) commercial paper
B) money market mutual fund account
C) banker's acceptance
D) Treasury bill
Answer: D
Learning Objective: 1.5 Describe the most common types of short-term investments.
AACSB: Application of knowledge

1.6 Learning Objective 6

1) Certified Financial Planners typically manage institutional portfolios.
Answer: FALSE
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

2) A major goal of corporate financial management is to increase the value of the firm to investors.
Answer: TRUE
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

3) Stringent regulations and vigorous enforcement have all but eliminated unethical behaviour by financial professionals in recent years.
Answer: FALSE
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

4) Insurance companies invest the premiums and fees collected from customers to neutralize the risks assumed from their clients.
Answer: TRUE
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

5) Chartered Financial Analyst (CFA) is a degree offered by several prestigious business schools.
Answer: FALSE
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

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6) Funds that merely track a broad index and make no attempt to identify undervalued or exceptional growth stocks are known as
A) hedge funds.
B) passively managed funds.
C) actively managed funds.
D) equity funds.
Answer: B
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

7) Jobs in which of the following fields require an understanding of the investment environment?

I. commercial banking
II. corporate finance
III. financial planning
IV. insurance

A) I and IV only
B) I, II and IV only
C) II, III and IV only
D) I, II, III and IV
Answer: D
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

8) A major function of investment banking firms is
A) assisting businesses when they issue stocks and bonds.
B) providing financial planning services to wealthy individuals.
C) developing investment strategies to neutralize risk.
D) All of these are major functions of investment banking firms.
Answer: D
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

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9) Which of the following has set an outstanding example of ethical behaviour in the financial professions?
A) Bernard Madoff of Madoff Securities
B) Hank Greenberg of AIG
C) Ramalinga Raju of Satyam Computers
D) none of the above
Answer: D
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

10) In Canada, the most prestigious designation for financial planners is
A) CFP.
B) CPA.
C) CLU.
D) IA.
Answer: A
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

11) Briefly describe three different career paths that require a strong background in investments.
Answer: Students may discuss any of the following career paths. Answers will vary.
Responsibilities of commercial bankers may include portfolio management, managing short-term securities, and advising individuals as personal bankers.
Corporate financial managers must raise external funds through the debt and equity markets, manage short-term investments, and understand investor expectations for their business.
Financial planners assist individuals in choosing the investments that will help them meet their short- and long-term goals.
The insurance industry employs professionals to invest and manage the large sums collected from premiums.
Within the investment management industry, professionals may work as securities analysts, fund managers, or retail brokers.
Learning Objective: 1.6 Describe some of the main careers available to people with financial expertise and the role that investments play in each.
AACSB: Application of knowledge

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