

Name: _____ Date: _____

Shark Tank Survivor: Your 10th Grade Wealth Building Quest

Synthesize complex fiscal data across 10 high-stakes questions to evaluate risk, tax-advantaged growth, and capital allocation strategies.

1. When comparing a traditional 401(k) to a Roth IRA, which factor primarily determines the long-term mathematical advantage of one over the other?

- A. The current liquidity of the stock market
- B. Your anticipated marginal tax rate at retirement versus today
- C. The specific brokerage firm managing the assets
- D. The total number of years until you reach age 59.5

2. An investor practices 'Tax-Loss Harvesting' by selling an underperforming REIT to offset capital gains from a tech stock sale. This strategy primarily impacts which financial metric?

- A. Gross Annual Income
- B. Debt-to-Income Ratio
- C. Net After-Tax Return
- D. Credit Utilization Rate

3. In the context of the 'Rule of 72,' if an emerging market fund has an expected annual return of 9%, it will take approximately ___ years for your principal investment to double.

- A. 6 years
- B. 8 years
- C. 10 years
- D. 12 years

4. A 'Fiduciary Duty' means that a financial advisor is legally required to act in their own best interest rather than the client's interest.

- A. True
- B. False

5. Which of the following scenarios describes the detrimental effect of 'Inflation Risk' on a long-term wealth strategy?

- A. A stock market crash reducing the value of a portfolio by 20%
- B. Holding 100% of assets in a 0.5% savings account while CPI rises by 3%
- C. Defaulting on a high-interest private student loan
- D. Paying a 2% expense ratio on a mutual fund

6. When an investor buys a _____, they are essentially acting as the lender to a corporation or government entity in exchange for periodic interest payments.

- A. Common Stock

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- B. Corporate Bond
- C. Mutual Fund
- D. Derivative Purchase

7. Dollar-cost averaging (DCA) is a strategy designed to reduce the impact of volatility by investing fixed dollar amounts at regular intervals regardless of price.

- A. True
- B. False

8. High-yield 'junk bonds' typically offer higher interest rates than investment-grade bonds because:

- A. They are backed by the Federal Reserve
- B. The issuer has a higher risk of default
- C. The maturity date is usually within 30 days
- D. They are exempt from federal income tax

9. A sharp increase in the _____ ratio of a stock usually suggests that investors are expecting high future earnings growth, or that the stock is overvalued.

- A. Debt-to-Equity
- B. Current
- C. Price-to-Earnings (P/E)
- D. Burn

10. If you are 'Diversified' across different asset classes, which of the following is most likely to happen during a sector-specific downturn (e.g., a Tech Bubble burst)?

- A. Your entire portfolio value will drop to zero
- B. Your gains in other areas (like commodities or bonds) may mitigate the losses
- C. Your bank will automatically increase your interest rates
- D. You will be exempt from paying capital gains taxes for that year