Do You Know More Than the Average American About Investing?

Financial advisor Jeff Rose reviews the answers to an online investing quiz most Americans failed.

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According to the CNBC article "The Average American Scored an 'F' on This Investing Quiz — See How You Do," more than half of the 1,000 people surveyed for the financial site Magnifymoney failed to score above a 40% on a 10-question quiz about investing.

Financial advisor Jeff Rose provides the correct answers to the questions from the quiz with explanations for each. The questions from the quiz are:

1. Which best describes your understanding of compound interest?
2. What is the S&P 500?
3. True or false: When you purchase a stock, that means you're a partial owner of the company.
4. What is a dividend?
5. How is a company's share price determined?
6. What is the Dow Jones?
7. True or false: Novice investors should focus on timing the market to maximize their investments.
8. What does it mean when a stock has a high P/E ratio?
9. How long do you have to hold a stock for it to be

considered a long-term investment for tax purposes?

10. Do all stocks pay dividends to investors?

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