

Stock Trading Practice Test Questions and Answers

1. What is a 'candlestick' chart?

- A) A chart showing only closing prices connected by a line
- B) A bar chart showing open, high, low, and close with a colored body
- C) A chart displaying moving averages only
- D) A chart plotting volume against price

2. What is EBITDA an acronym for?

- A) Earnings Before Interest, Taxes, Depreciation, and Amortization
- B) Estimated Base Income Tax, Dividends, and Assets
- C) Equity Before Interest, Trading, Debt, and Assets
- D) Earnings Before Income Tax and Dividend Adjustment

3. What is 'rebalancing' a portfolio?

- A) Selling all underperforming stocks
- B) Restoring a portfolio to its target asset allocation after market movements shift the weights
- C) Doubling down on winning positions
- D) Switching from individual stocks to index funds

4. In general, the P/B Ratio stands for

- A) Price to Tangible Book Value ratio
- B) Price to Book Ratio
- C) Price to Basic Earnings Per Share Ratio
- D) Price to Bond Yield Ratio

Answers: 1-B 2-A 3-B 4-B

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