**University of Laarbi Tebessi**

**Faculty of Economic, Commercial and Management Sciences**

**Department of Commercial Sciences**

**Resit Exam of Third year Marketing**

**Stocks and Bonds**

Much of the world's business activity would be impossible without stocks and bonds. Stocks and bonds are certificates that are sold to raise money for starting a new company or for expanding an existing company. Stocks and bonds are also called securities, and people who buy them are called investors.

**Stocks** are certificates of ownership. A person who buys stock in a company becomes one of the company's owners. As an owner, the stockholder is eligible to receive a dividend, or share of the company's profits. The amount of this dividend may change from year to year depending on the company's performance. good companies try to pay stockholders as high a dividend as possible.

There are two types of stock: common stock and preferred stock. Owners of common stock may vote for company directors and attend annual stockholders' meetings. Owners of preferred stock do not usually have voting rights or the right to attend stockholders' meetings. They do, however, have priority when dividends are paid. The dividends on preferred stocks are paid according to a set rate, while the dividends on common stocks fluctuate according to the company's performance.

**Bonds** are certificates that promise to pay a fixed rate of interest. A person who buys a bond is not buying ownership in a company but is lending the company money. The bond is the company's promise to repay that money at the end of a certain time, such as ten, fifteen, or twenty years. In return for lending the company money, the bondholder is paid interest at regular intervals. The interest rate is based on general interest rates in effect at the time the bonds are issued, as well as on the company's financial strength. Bonds generally pay more money than preferred stocks do, and they are usually considered a safer investment.

**Task 1 : read the text then answer these questions**

1. What are the differences between stocks and bonds?

**2-** How can stockholder profit from stocks ?

3-How can bondholder profit from bonds ?

**4-** Which kind of certificates have return guarantee ?

**5-** Does bondholder have the right of voting in the company?

**Task 2: Complete each explanation with the words from the list:**

Consumers, government, loans, interests, bill, management, company.

**1-** Financial ………..…… is a speciality in our university.

1. Bank is a financial …………..,which is supplying …..….….. to …..…….. who

need to borrow money.

**3-** We get .….........from our money that we are saving in the bank.

**4-** The ……..…... was very expensive when I ate in this restaurant last time.

**5-** Central bank belongs to the …………….

**Task 3: Re-read the text and summarize it**

**يرجى ارسال الاجابات قبل يوم 27/06/2021 في الايمايل التالي maryemmer3@gmail.com**