

## MODULE 12: Vocab & Key Terms

### Finance Careers

#### **Stock**

A share of a company which is sold to investors and represents ownership.

#### **Stock Market**

A place for investors to buy & sell publicly traded companies' stock. This list includes the NASDAQ, S&P 500, & numerous indexes from around the world.

#### **Financial Analyst**

A professional who evaluates and interprets financial data to guide decision-making, such as investment decisions and cost-cutting strategies.

#### **Investment Banking**

A form of banking in which bankers offer strategic advice on mergers and acquisitions, capital markets transactions, debt financings and restructuring activities.

#### **Portfolio Management**

The process of selecting investments in order to achieve a specific goal or set of goals. It involves diversification, asset allocation and rebalancing decisions.

#### **Financial Modeling**

The process of creating logical representations of a company's financial performance, often for use in forecasting future cash flow or evaluating capital structures or investment options.

#### **Derivatives Trading**

An activity that involves speculating on the value of underlying assets such as stocks, bonds, commodities, currencies and derivatives themselves.

#### **Data Analysis**

The process of collecting, organizing and interpreting data in order to draw conclusions about trends and patterns related to a particular industry or group of investments.

#### **Equity Research**

An analytical research process used by investors to assess the prospects of individual securities within an equity portfolio through analysis of public information such as financial statements, economic indicators, news reports and analyst estimates

#### **Hedge Fund Manager**

Professionals who purchase assets with the intention of making large profits by taking advantage of market movements and leveraging their investments into larger returns than would be possible with normal trading activities or by taking long and short positions

#### **Risk Manager**

Professionals responsible for assessing risk exposure within an organization's operations and mitigating that risk through various strategies such as insurance policies, hedging strategies, diversification strategies, etc.

#### **Insurance Underwriter**

An individual or institution responsible for evaluating applications for insurance policies based on factors such as age, health history, lifestyle choices, credit score etc., in order to determine the amount of coverage offered by insurance companies at what price points.