Unit 3 review

**APR** - Annual percentage rate.. Interest rate

**Bear market** - a downward market

**Bonds** - a dept security/ an investment to the government/copany where you get interest rates

**Bull market** - an upward market

**Cash advance -** taking out cash using a credit card// high interest rate

**Certificate of Deposit (CD) -** a type of account with higher interest rates but locked for a certain amount of times

**Collateralized debt obligation (CDO)** - a structured asset make of loans

**Compounded interest** - interest overtime/ interest on interest

**Credit default swap -** insurance on a CDO

**Credit limit -** limit of how much you can spend on a credit card

**Derivative -** betting out the outcome of something you are uninvolved in

**Dividend -** the pay you get from owning a stock/ percent of earnings

**Dow Jones Industrial Average -** an average of the top 30 largest companies

**Equity -** the percent you own

**Going public/IPO -** initial public offering of a stock on the market

**Growth stock -** a stock that has no dividend/ has a fast growth rate

**Hedge fund -** a mutual fund with a lot of money and high risk

**Insider trading -** illegal info about the stock market gitten from the inside

**Minimum payment -** the minimum amount of you can pay off your credit card

**Mortgage -** payments for your house

**NASDAQ -** The Nasdaq Composite is a stock market index that includes almost all stocks listed on the Nasdaq stock exchange

**NYSE -** New York stock exchange

**PE ratio -** the price to earnings ratio: **the ratio for valuing a company that measures its current share price relative to its per-share earnings**.

**Penalty rate -** a rate you must pay when you miss payments / are late

**Percentage yield** - the percent of profit you receive // rate of return

**Publicly traded company-** a company traded on the market/people can own part of the company

**Refinance** - taking a second loan to pay off your loan

**S&P 500** - index fund of the larges 500 companies

**Selling short -** beting on something going down

**Shares -** amount you own in a company

**Teaser rate -** a lower rate that can change as time passes

**You will also be familiar with the following people:**

**Alan Greenspan - chair of fed reserve**

**Ben Bernanke - Former chair of federal reserve bailing out wall street and failing to see financial crisis**

**Henry “Hank” Paulson** - United States Secretary of the Treasury from 2006 to 2009. Prior to his role in the Department of the Treasury, Paulson was the Chairman and Chief Executive Officer of major investment bank Goldman Sachs