

## CFA Program Level I for December 2020 and February 2021

Set Type                      # of Cards                      Provider  
 Default                      1742 cards                      cfainstitute

	Side 1	Side 2	Category
1	<b>n Factorial</b>	For a positive integer n, the product of the first n positive integers; 0 factorial equals 1 by definition. n factorial is written as n!.	Probability Concepts
2	<b>t-Test</b>	A hypothesis test using a statistic (t-statistic) that follows a t-distribution.	Hypothesis Testing
3	<b>Abnormal return</b>	The amount by which a security's actual return differs from its expected return, given the security's risk and the market's return.	Market Efficiency
4	<b>Absolute advantage</b>	A country's ability to produce a good or service at a lower absolute cost than its trading partner.	International Trade and Capital Flows
5	<b>Absolute dispersion</b>	The amount of variability present without comparison to any reference point or benchmark.	Statistical Concepts and Market Returns
6	<b>Absolute frequency</b>	The number of observations in a given interval (for grouped data).	Statistical Concepts and Market Returns
7	<b>Accelerated book build</b>	An offering of securities by an investment bank acting as principal that is accomplished in only one or two days.	Market Organization and Structure
8	<b>Accelerated methods</b>	Depreciation methods that allocate a relatively large proportion of the cost of an asset to the early years of the asset's useful life.	Long-Lived Assets
9	<b>Accelerated methods</b>	Depreciation methods that allocate a relatively large proportion of the cost of an asset to the early years of the asset's useful life.	Understanding Income Statements
10	<b>Accounting costs</b>	Monetary value of economic resources used in performing an activity. These can be explicit, out-of-pocket, current payments, or an allocation of historical payments (depreciation) for resources. They do not include implicit opportunity costs.	Topics in Supply and Demand Analysis
11	<b>Accounting profit</b>	Income as reported on the income statement, in accordance with prevailing accounting standards, before the provisions for income tax expense.	Income Taxes
12	<b>Accounting profit</b>	Income as reported on the income statement, in accordance with prevailing accounting standards, before the provisions for income tax expense.	Topics in Supply and Demand Analysis
13	<b>Accounts payable</b>	Amounts that a business owes to its vendors for goods and services that were purchased from them but which have not yet been paid.	Understanding Balance Sheets
14	<b>Accounts receivable turnover</b>	Ratio of sales on credit to the average balance in accounts receivable.	Working Capital Management
15	<b>Accrued expenses</b>	Liabilities related to expenses that have been incurred but not yet paid as of the end of an accounting period—an example of an accrued expense is rent that has been incurred but not yet paid, resulting in a liability "rent payable."	Understanding Balance Sheets
16	<b>Accrued interest</b>	Interest earned but not yet paid.	Introduction to Fixed-Income Valuation
17	<b>Acid-test ratio</b>	A stringent measure of liquidity that indicates a company's ability to satisfy current liabilities with its most liquid assets, calculated as (cash + short-term marketable investments + receivables) divided by current liabilities.	Working Capital Management
18	<b>Acquisition method</b>	A method of accounting for a business combination where the acquirer is required to measure each identifiable asset and liability at fair value. This method was the result of a joint project of the IASB and FASB aiming at convergence in standards for the accounting of business combinations.	Long-Lived Assets
19	<b>Action lag</b>	Delay from policy decisions to implementation.	Monetary and Fiscal Policy
20	<b>Active investment</b>	An approach to investing in which the investor seeks to outperform a given benchmark.	Market Efficiency
21	<b>Active return</b>	The return on a portfolio minus the return on the portfolio's benchmark.	Market Efficiency
22	<b>Active strategy</b>	In reference to short-term cash management, an investment strategy characterized by monitoring and attempting to capitalize on market conditions to optimize the risk and return relationship of short-term investments.	Working Capital Management
23	<b>Activity ratios</b>	Ratios that measure how efficiently a company performs day-to-day tasks, such as the collection of receivables and management of inventory.	Financial Analysis Techniques

24	<b>Activity ratios</b>	Ratios that measure how efficiently a company performs day-to-day tasks, such as the collection of receivables and management of inventory.	Understanding Business Cycles
25	<b>Addition rule for probabilities</b>	A principle stating that the probability that A or B occurs (both occur) equals the probability that A occurs, plus the probability that B occurs, minus the probability that both A and B occur.	Probability Concepts
26	<b>Add-on rates</b>	Bank certificates of deposit, repos, and indexes such as Libor and Euribor are quoted on an add-on rate basis (bond equivalent yield basis).	Introduction to Fixed-Income Valuation
27	<b>Agency bonds</b>	A bond issued by an entity that is either owned or sponsored by a national government.	Fixed-Income Markets: Issuance, Trading, and Funding
28	<b>Agency RMBS</b>	In the United States, securities backed by residential mortgage loans and guaranteed by a federal agency or guaranteed by either of the two GSEs (Fannie Mae and Freddie Mac).	Introduction to Asset-Backed Securities
29	<b>Aggregate demand curve</b>	Inverse relationship between the price level and real output.	Aggregate Output, Prices, and Economic Growth
30	<b>Aggregate demand</b>	The quantity of goods and services that households, businesses, government, and foreign customers want to buy at any given level of prices.	Aggregate Output, Prices, and Economic Growth
31	<b>Aggregate income</b>	The value of all the payments earned by the suppliers of factors used in the production of goods and services.	Aggregate Output, Prices, and Economic Growth
32	<b>Aggregate output</b>	The value of all the goods and services produced in a specified period of time.	Aggregate Output, Prices, and Economic Growth
33	<b>Aggregate supply curve</b>	The level of domestic output that companies will produce at each price level.	Aggregate Output, Prices, and Economic Growth
34	<b>Aggregate supply</b>	The quantity of goods and services producers are willing to supply at any given level of price.	Aggregate Output, Prices, and Economic Growth
35	<b>Aging schedule</b>	A breakdown of accounts into categories of days outstanding.	Working Capital Management
36	<b>Allocationally efficient</b>	A characteristic of a market, a financial system, or an economy that promotes the allocation of resources to their highest value uses.	Market Organization and Structure
37	<b>All-or-nothing (AON) orders</b>	An order that includes the instruction to trade only if the trade fills the entire quantity (size) specified.	Market Organization and Structure
38	<b>Alternative data</b>	Non-traditional data types generated by the use of electronic devices, social media, satellite and sensor networks, and company exhaust.	Fintech in Investment Management
39	<b>Alternative investment markets</b>	Market for investments other than traditional securities investments (i.e., traditional common and preferred shares and traditional fixed income instruments). The term usually encompasses direct and indirect investment in real estate (including timberland and farmland) and commodities (including precious metals); hedge funds, private equity, and other investments requiring specialized due diligence.	Market Organization and Structure
40	<b>Alternative trading systems</b>	Trading venues that function like exchanges but that do not exercise regulatory authority over their subscribers except with respect to the conduct of the subscribers' trading in their trading systems.	Market Organization and Structure
41	<b>American depository receipt</b>	A US dollar-denominated security that trades like a common share on US exchanges.	Overview of Equity Securities
42	<b>American depository share</b>	The underlying shares on which American depository receipts are based. They trade in the issuing company's domestic market.	Overview of Equity Securities
43	<b>American-style</b>	Type of option contract that can be exercised at any time up to the option's expiration date.	Derivative Markets and Instruments
44	<b>American-style</b>	Type of option contract that can be exercised at any time up to the option's expiration date.	Market Organization and Structure
45	<b>Amortisation</b>	The process of allocating the cost of intangible long-term assets having a finite useful life to accounting periods; the allocation of the amount of a bond premium or discount to the periods remaining until bond maturity.	Understanding Income Statements
46	<b>Amortisation</b>	The process of allocating the cost of intangible long-term assets having a finite useful life to accounting periods; the allocation of the amount of a bond premium or discount to the periods remaining until bond maturity.	Non-Current (Long-Term) Liabilities
47	<b>Amortised cost</b>	The historical cost (initially recognised cost) of an asset, adjusted for amortisation and impairment.	Understanding Balance Sheets

48	<b>Amortised cost</b>	The historical cost (initially recognised cost) of an asset, adjusted for amortisation and impairment.	Financial Reporting Standards
49	<b>Amortizing bond</b>	Bond with a payment schedule that calls for periodic payments of interest and repayments of principal.	Fixed-Income Securities: Defining Elements
50	<b>Amortizing loan</b>	Loan with a payment schedule that calls for periodic payments of interest and repayments of principal.	Introduction to Asset-Backed Securities
51	<b>Annual percentage rate</b>	The cost of borrowing expressed as a yearly rate.	The Time Value of Money
52	<b>Annuity due</b>	An annuity having a first cash flow that is paid immediately.	The Time Value of Money
53	<b>Annuity</b>	A finite set of level sequential cash flows.	The Time Value of Money
54	<b>Anticipation stock</b>	Excess inventory that is held in anticipation of increased demand, often because of seasonal patterns of demand.	Working Capital Management
55	<b>Antidilutive</b>	With reference to a transaction or a security, one that would increase earnings per share (EPS) or result in EPS higher than the company's basic EPS—antidilutive securities are not included in the calculation of diluted EPS.	Understanding Income Statements
56	<b>A priori probability</b>	A probability based on logical analysis rather than on observation or personal judgment.	Probability Concepts
57	<b>Arbitrage-free pricing</b>	The overall process of pricing derivatives by arbitrage and risk neutrality.	Basics of Derivative Pricing and Valuation
58	<b>Arbitrage</b>	1) The simultaneous purchase of an undervalued asset or portfolio and sale of an overvalued but equivalent asset or portfolio, in order to obtain a riskless profit on the price differential. Taking advantage of a market inefficiency in a risk-free manner. 2) The condition in a financial market in which equivalent assets or combinations of assets sell for two different prices, creating an opportunity to profit at no risk with no commitment of money. In a well-functioning financial market, few arbitrage opportunities are possible. 3) A risk-free operation that earns an expected positive net profit but requires no net investment of money.	Derivative Markets and Instruments
59	<b>Arbitrage</b>	1) The simultaneous purchase of an undervalued asset or portfolio and sale of an overvalued but equivalent asset or portfolio, in order to obtain a riskless profit on the price differential. Taking advantage of a market inefficiency in a risk-free manner. 2) The condition in a financial market in which equivalent assets or combinations of assets sell for two different prices, creating an opportunity to profit at no risk with no commitment of money. In a well-functioning financial market, few arbitrage opportunities are possible. 3) A risk-free operation that earns an expected positive net profit but requires no net investment of money.	Market Efficiency
60	<b>Arbitrageurs</b>	Traders who engage in arbitrage.	Market Organization and Structure
61	<b>Arithmetic mean</b>	The sum of the observations divided by the number of observations.	Statistical Concepts and Market Returns
62	<b>Arms index</b>	A flow of funds indicator applied to a broad stock market index to measure the relative extent to which money is moving into or out of rising and declining stocks.	Technical Analysis
63	<b>Artificial intelligence</b>	Computer systems that exhibit cognitive and decision-making ability comparable (or superior) to that of humans.	Fintech in Investment Management
64	<b>Asian call option</b>	A European-style option with a value at maturity equal to the difference between the stock price at maturity and the average stock price during the life of the option, or \$0, whichever is greater.	Common Probability Distributions
65	<b>Ask</b>	The price at which a dealer or trader is willing to sell an asset, typically qualified by a maximum quantity (ask size).	Market Organization and Structure
66	<b>Ask size</b>	The maximum quantity of an asset that pertains to a specific ask price from a trader. For example, if the ask for a share issue is \$30 for a size of 1,000 shares, the trader is offering to sell at \$30 up to 1,000 shares.	Market Organization and Structure
67	<b>Asset allocation</b>	The process of determining how investment funds should be distributed among asset classes.	Portfolio Management: An Overview
68	<b>Asset-backed securities</b>	A type of bond issued by a legal entity called a special purpose entity (SPE) on a collection of assets that the SPE owns. Also, securities backed by receivables and loans other than mortgages.	Fixed-Income Securities: Defining Elements
69	<b>Asset-backed securities</b>	A type of bond issued by a legal entity called a special purpose entity (SPE) on a collection of assets that the SPE owns. Also, securities backed by receivables and loans other than mortgages.	Introduction to Asset-Backed Securities
70	<b>Asset-based loan</b>	A loan that is secured with company assets.	Working Capital Management
71	<b>Asset-based valuation models</b>	Valuation based on estimates of the market value of a company's assets.	Equity Valuation: Concepts and Basic Tools
72	<b>Asset beta</b>	The unlevered beta; reflects the business risk of the assets; the asset's systematic risk.	Cost of Capital

73	<b>Asset class</b>	A group of assets that have similar characteristics, attributes, and risk/return relationships.	Basics of Portfolio Planning and Construction
74	<b>Assets</b>	Resources controlled by an enterprise as a result of past events and from which future economic benefits to the enterprise are expected to flow.	Financial Reporting Standards
75	<b>Assets</b>	Resources controlled by an enterprise as a result of past events and from which future economic benefits to the enterprise are expected to flow.	Understanding Balance Sheets
76	<b>Assets</b>	Resources controlled by an enterprise as a result of past events and from which future economic benefits to the enterprise are expected to flow.	Introduction to Financial Statement Analysis
77	<b>Asset swap</b>	Converts the periodic fixed coupon of a specific bond to a Libor plus or minus a spread.	Introduction to Fixed-Income Valuation
78	<b>Asset utilization ratios</b>	Ratios that measure how efficiently a company performs day-to-day tasks, such as the collection of receivables and management of inventory.	Financial Analysis Techniques
79	<b>Assignment of accounts receivable</b>	The use of accounts receivable as collateral for a loan.	Working Capital Management
80	<b>At the money</b>	An option in which the underlying's price equals the exercise price.	Basics of Derivative Pricing and Valuation
81	<b>At the money</b>	An option in which the underlying's price equals the exercise price.	Derivative Markets and Instruments
82	<b>Auction</b>	A type of bond issuing mechanism often used for sovereign bonds that involves bidding.	Fixed-Income Markets: Issuance, Trading, and Funding
83	<b>Autarkic price</b>	The price of a good or service in an autarkic economy.	International Trade and Capital Flows
84	<b>Autarky</b>	A state in which a country does not trade with other countries.	International Trade and Capital Flows
85	<b>Automated Clearing House (ACH)</b>	An electronic payment network available to businesses, individuals, and financial institutions in the United States, US Territories, and Canada.	Working Capital Management
86	<b>Automatic stabilizer</b>	A countercyclical factor that automatically comes into play as an economy slows and unemployment rises.	Monetary and Fiscal Policy
87	<b>Available-for-sale</b>	Under US GAAP, debt securities not classified as either held-to-maturity or held-for-trading securities. The investor is willing to sell but not actively planning to sell. In general, available-for-sale debt securities are reported at fair value on the balance sheet, with unrealized gains included as a component of other comprehensive income.	Understanding Balance Sheets
88	<b>Available-for-sale</b>	Under US GAAP, debt securities not classified as either held-to-maturity or held-for-trading securities. The investor is willing to sell but not actively planning to sell. In general, available-for-sale debt securities are reported at fair value on the balance sheet, with unrealized gains included as a component of other comprehensive income.	Understanding Income Statements
89	<b>Average accounting rate of return</b>	(ARR) Over the life of a project, the AAR can be defined as the average net income divided by the average book value.	Capital Budgeting
90	<b>Average fixed cost</b>	Total fixed cost divided by quantity produced.	Topics in Supply and Demand Analysis
91	<b>Average life</b>	A measure that gives investors an indication of how long they can expect to hold the MBS before it is paid off; the convention-based average time to receipt of all principal repayments.	Introduction to Asset-Backed Securities
92	<b>Average product</b>	Measures the productivity of inputs on average and is calculated by dividing total product by the total number of units for a given input that is used to generate that output.	Topics in Supply and Demand Analysis
93	<b>Average revenue</b>	Total revenue divided by quantity sold.	Topics in Supply and Demand Analysis
94	<b>Average total cost</b>	Total cost divided by quantity produced.	Topics in Supply and Demand Analysis
95	<b>Average variable cost</b>	Total variable cost divided by quantity produced.	Topics in Supply and Demand Analysis
96	<b>Back simulation</b>	Another term for the historical method of estimating VaR. This term is somewhat misleading in that the method involves not a simulation of the past but rather what actually happened in the past, sometimes adjusted to reflect the fact that a different portfolio may have existed in the past than is planned for the future.	Common Probability Distributions
97	<b>Back-testing</b>	With reference to portfolio strategies, the application of a strategy's portfolio selection rules to historical data to assess what would have been the strategy's historical performance.	Applications of Financial Statement Analysis
98	<b>Backup lines of credit</b>	A type of credit enhancement provided by a bank to an issuer of commercial paper to ensure that the issuer will have access to sufficient liquidity to repay maturing commercial paper if issuing new paper is not a viable option.	Fixed-Income Markets: Issuance, Trading, and Funding

99	<b>Balanced</b>	With respect to a government budget, one in which spending and revenues (taxes) are equal.	Monetary and Fiscal Policy
100	<b>Balance of payments</b>	A double-entry bookkeeping system that summarizes a country's economic transactions with the rest of the world for a particular period of time, typically a calendar quarter or year.	International Trade and Capital Flows
101	<b>Balance of trade deficit</b>	When the domestic economy is spending more on foreign goods and services than foreign economies are spending on domestic goods and services.	Aggregate Output, Prices, and Economic Growth
102	<b>Balance sheet</b>	The financial statement that presents an entity's current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Introduction to Financial Statement Analysis
103	<b>Balance sheet</b>	The financial statement that presents an entity's current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Understanding Balance Sheets
104	<b>Balance sheet ratios</b>	Financial ratios involving balance sheet items only.	Understanding Balance Sheets
105	<b>Balloon payment</b>	Large payment required at maturity to retire a bond's outstanding principal amount.	Fixed-Income Securities: Defining Elements
106	<b>Bar chart</b>	A price chart with four bits of data for each time interval—the high, low, opening, and closing prices. A vertical line connects the high and low. A cross-hatch left indicates the opening price and a cross-hatch right indicates the close.	Technical Analysis
107	<b>Barter economy</b>	An economy where economic agents as house-holds, corporations, and governments “pay” for goods and services with another good or service.	Monetary and Fiscal Policy
108	<b>Base rates</b>	The reference rate on which a bank bases lending rates to all other customers.	Monetary and Fiscal Policy
109	<b>Basic EPS</b>	Net earnings available to common shareholders (i.e., net income minus preferred dividends) divided by the weighted average number of common shares outstanding.	Understanding Income Statements
110	<b>Basic EPS</b>	Net earnings available to common shareholders (i.e., net income minus preferred dividends) divided by the weighted average number of common shares outstanding.	Financial Analysis Techniques
111	<b>Basis point</b>	Used in stating yield spreads, one basis point equals one-hundredth of a percentage point, or 0.01%.	Fixed-Income Securities: Defining Elements
112	<b>Basis point</b>	Used in stating yield spreads, one basis point equals one-hundredth of a percentage point, or 0.01%.	Introduction to Fixed-Income Valuation
113	<b>Basket of listed depository receipts</b>	An exchange-traded fund (ETF) that represents a portfolio of depository receipts.	Overview of Equity Securities
114	<b>Bearer bonds</b>	Bonds for which ownership is not recorded; only the clearing system knows who the bond owner is.	Fixed-Income Securities: Defining Elements
115	<b>Behavioral finance</b>	A field of finance that examines the psychological variables that affect and often distort the investment decision making of investors, analysts, and portfolio managers.	Market Efficiency
116	<b>Behind the market</b>	Said of prices specified in orders that are worse than the best current price; e.g., for a limit buy order, a limit price below the best bid.	Market Organization and Structure
117	<b>Benchmark issue</b>	The latest sovereign bond issue for a given maturity. It serves as a benchmark against which to compare bonds that have the same features but that are issued by another type of issuer.	Fixed-Income Markets: Issuance, Trading, and Funding
118	<b>Benchmark</b>	A comparison portfolio; a point of reference or comparison.	Introduction to Fixed-Income Valuation
119	<b>Benchmark rate</b>	Typically the yield-to-maturity on a government bond having the same, or close to the same, time-to-maturity.	Introduction to Fixed-Income Valuation
120	<b>Benchmark spread</b>	The yield spread over a specific benchmark, usually measured in basis points.	Introduction to Fixed-Income Valuation
121	<b>Bernoulli random variable</b>	A random variable having the outcomes 0 and 1.	Common Probability Distributions
122	<b>Bernoulli trial</b>	An experiment that can produce one of two outcomes.	Common Probability Distributions
123	<b>Best bid</b>	The highest bid in the market.	Market Organization and Structure
124	<b>Best effort offering</b>	An offering of a security using an investment bank in which the investment bank, as agent for the issuer, promises to use its best efforts to sell the offering but does not guarantee that a specific amount will be sold.	Fixed-Income Markets: Issuance, Trading, and Funding

125	<b>Best effort offering</b>	An offering of a security using an investment bank in which the investment bank, as agent for the issuer, promises to use its best efforts to sell the offering but does not guarantee that a specific amount will be sold.	Market Organization and Structure
126	<b>Best-in-class</b>	An ESG implementation approach that seeks to identify the most favorable companies in an industry based on ESG considerations.	Basics of Portfolio Planning and Construction
127	<b>Best offer</b>	The lowest offer (ask price) in the market.	Market Organization and Structure
128	<b>Beta</b>	A measure of the sensitivity of a given investment or portfolio to movements in the overall market.	Portfolio Risk and Return: Part II
129	<b>Beta</b>	A measure of the sensitivity of a given investment or portfolio to movements in the overall market.	Introduction to Risk Management
130	<b>Bid–ask spread</b>	The difference between the prices at which dealers will buy from a customer (bid) and sell to a customer (offer or ask). It is often used as an indicator of liquidity.	Fixed-Income Markets: Issuance, Trading, and Funding
131	<b>Bid–offer spread</b>	The difference between the prices at which dealers will buy from a customer (bid) and sell to a customer (offer or ask). It is often used as an indicator of liquidity.	Fixed-Income Markets: Issuance, Trading, and Funding
132	<b>Bid</b>	The price at which a dealer or trader is willing to buy an asset, typically qualified by a maximum quantity.	Market Organization and Structure
133	<b>Bid size</b>	The maximum quantity of an asset that pertains to a specific bid price from a trader.	Market Organization and Structure
134	<b>Big Data</b>	The vast amount of data being generated by industry, governments, individuals, and electronic devices that arises from both traditional and non-traditional data sources.	Fintech in Investment Management
135	<b>Bilateral loan</b>	A loan from a single lender to a single borrower.	Fixed-Income Markets: Issuance, Trading, and Funding
136	<b>Binomial model</b>	A model for pricing options in which the underlying price can move to only one of two possible new prices.	Basics of Derivative Pricing and Valuation
137	<b>Binomial model</b>	A model for pricing options in which the underlying price can move to only one of two possible new prices.	Common Probability Distributions
138	<b>Binomial random variable</b>	The number of successes in n Bernoulli trials for which the probability of success is constant for all trials and the trials are independent.	Common Probability Distributions
139	<b>Binomial tree</b>	The graphical representation of a model of asset price dynamics in which, at each period, the asset moves up with probability p or down with probability (1 – p).	Common Probability Distributions
140	<b>Bitcoin</b>	A cryptocurrency using blockchain technology that was created in 2009.	Fintech in Investment Management
141	<b>Block brokers</b>	A broker (agent) that provides brokerage services for large-size trades.	Market Organization and Structure
142	<b>Blockchain</b>	A type of digital ledger in which information is recorded sequentially and then linked together and secured using cryptographic methods.	Fintech in Investment Management
143	<b>Blue chip</b>	Widely held large market capitalization companies that are considered financially sound and are leaders in their respective industry or local stock market.	Overview of Equity Securities
144	<b>Bollinger Bands</b>	A price-based technical analysis indicator consisting of a moving average plus a higher line representing the moving average plus a set number of standard deviations from average price (for the same number of periods as used to calculate the moving average) and a lower line that is a moving average minus the same number of standard deviations.	Technical Analysis
145	<b>Bond equivalent yield</b>	A calculation of yield that is annualized using the ratio of 365 to the number of days to maturity. Bond equivalent yield allows for the restatement and comparison of securities with different compounding periods.	Introduction to Fixed-Income Valuation
146	<b>Bond equivalent yield</b>	A calculation of yield that is annualized using the ratio of 365 to the number of days to maturity. Bond equivalent yield allows for the restatement and comparison of securities with different compounding periods.	Working Capital Management
147	<b>Bond indenture</b>	The governing legal credit agreement, typically incorporated by reference in the prospectus.	Fundamentals of Credit Analysis
148	<b>Bond market vigilantes</b>	Bond market participants who might reduce their demand for long-term bonds, thus pushing up their yields.	Monetary and Fiscal Policy
149	<b>Bond</b>	Contractual agreement between the issuer and the bondholders.	Fixed-Income Securities: Defining Elements
150	<b>Bond yield plus risk premium approach</b>	An estimate of the cost of common equity that is produced by summing the before-tax cost of debt and a risk premium that captures the additional yield	Cost of Capital

		on a company's stock relative to its bonds. The additional yield is often estimated using historical spreads between bond yields and stock yields.	
151	<b>Bonus issue of shares</b>	A type of dividend in which a company distributes additional shares of its common stock to shareholders instead of cash.	Equity Valuation: Concepts and Basic Tools
152	<b>Book building</b>	Investment bankers' process of compiling a "book" or list of indications of interest to buy part of an offering.	Market Organization and Structure
153	<b>Book value</b>	The net amount shown for an asset or liability on the balance sheet; book value may also refer to the company's excess of total assets over total liabilities.	Equity Valuation: Concepts and Basic Tools
154	<b>Boom</b>	An expansionary phase characterized by economic growth "testing the limits" of the economy.	Understanding Business Cycles
155	<b>Bottom-up analysis</b>	An investment selection approach that focuses on company-specific circumstances rather than emphasizing economic cycles or industry analysis.	Portfolio Management: An Overview
156	<b>Bottom-up analysis</b>	An investment selection approach that focuses on company-specific circumstances rather than emphasizing economic cycles or industry analysis.	Applications of Financial Statement Analysis
157	<b>Breakeven point</b>	The number of units produced and sold at which the company's net income is zero (Revenues = Total cost); in the case of perfect competition, the quantity at which price, average revenue, and marginal revenue equal average total cost.	Topics in Supply and Demand Analysis
158	<b>Breakeven point</b>	The number of units produced and sold at which the company's net income is zero (Revenues = Total cost); in the case of perfect competition, the quantity at which price, average revenue, and marginal revenue equal average total cost.	Measures of Leverage
159	<b>Break point</b>	In the context of the weighted average cost of capital (WACC), a break point is the amount of capital at which the cost of one or more of the sources of capital changes, leading to a change in the WACC.	Cost of Capital
160	<b>Bridge financing</b>	Interim financing that provides funds until permanent financing can be arranged.	Fixed-Income Markets: Issuance, Trading, and Funding
161	<b>Broad money</b>	Encompasses narrow money plus the entire range of liquid assets that can be used to make purchases.	Monetary and Fiscal Policy
162	<b>Broker-dealer</b>	A financial intermediary (often a company) that may function as a principal (dealer) or as an agent (broker) depending on the type of trade.	Market Organization and Structure
163	<b>Brokered market</b>	A market in which brokers arrange trades among their clients.	Market Organization and Structure
164	<b>Broker</b>	1) An agent who executes orders to buy or sell securities on behalf of a client in exchange for a commission. 2) See futures commission merchants.	Market Organization and Structure
165	<b>Budget surplus/deficit</b>	The difference between government revenue and expenditure for a stated fixed period of time.	Monetary and Fiscal Policy
166	<b>Bullet bond</b>	Bond in which the principal repayment is made entirely at maturity.	Fixed-Income Securities: Defining Elements
167	<b>Business risk</b>	The risk associated with operating earnings. Operating earnings are uncertain because total revenues and many of the expenditures contributed to produce those revenues are uncertain.	Measures of Leverage
168	<b>Business risk</b>	The risk associated with operating earnings. Operating earnings are uncertain because total revenues and many of the expenditures contributed to produce those revenues are uncertain.	Cost of Capital
169	<b>Buyback</b>	A transaction in which a company buys back its own shares. Unlike stock dividends and stock splits, share repurchases use corporate cash.	Equity Valuation: Concepts and Basic Tools
170	<b>Buy-side firm</b>	An investment management company or other investor that uses the services of brokers or dealers (i.e., the client of the sell side firms).	Portfolio Management: An Overview
171	<b>Callable bond</b>	A bond containing an embedded call option that gives the issuer the right to buy the bond back from the investor at specified prices on pre-determined dates.	Fixed-Income Securities: Defining Elements
172	<b>Callable bond</b>	A bond containing an embedded call option that gives the issuer the right to buy the bond back from the investor at specified prices on pre-determined dates.	Introduction to Fixed-Income Valuation
173	<b>Call market</b>	A market in which trades occur only at a particular time and place (i.e., when the market is called).	Market Organization and Structure
174	<b>Call money rate</b>	The interest rate that buyers pay for their margin loan.	Market Organization and Structure
175	<b>Call option</b>	An option that gives the holder the right to buy an underlying asset from another party at a fixed price over a specific period of time.	Market Organization and Structure
176	<b>Call option</b>	An option that gives the holder the right to buy an underlying asset from another party at a fixed price over a specific period of time.	Derivative Markets and Instruments

177	<b>Call</b>	An option that gives the holder the right to buy an underlying asset from another party at a fixed price over a specific period of time.	Derivative Markets and Instruments
178	<b>Call protection</b>	The time during which the issuer of the bond is not allowed to exercise the call option.	Introduction to Fixed-Income Valuation
179	<b>Candlestick chart</b>	A price chart with four bits of data for each time interval. A candle indicates the opening and closing price for the interval. The body of the candle is shaded if the opening price was higher than the closing price, and the body is clear if the opening price was lower than the closing price. Vertical lines known as wicks or shadows extend from the top and bottom of the candle to indicate the high and the low prices for the interval.	Technical Analysis
180	<b>Cannibalization</b>	Cannibalization occurs when an investment takes customers and sales away from another part of the company.	Capital Budgeting
181	<b>Capacity</b>	The ability of the borrower to make its debt payments on time.	Fundamentals of Credit Analysis
182	<b>Capital account</b>	A component of the balance of payments account that measures transfers of capital.	International Trade and Capital Flows
183	<b>Capital allocation line</b>	(CAL) A graph line that describes the combinations of expected return and standard deviation of return available to an investor from combining the optimal portfolio of risky assets with the risk-free asset.	Portfolio Risk and Return: Part II
184	<b>Capital allocation line</b>	(CAL) A graph line that describes the combinations of expected return and standard deviation of return available to an investor from combining the optimal portfolio of risky assets with the risk-free asset.	Portfolio Risk and Return: Part I
185	<b>Capital asset pricing model</b>	(CAPM) An equation describing the expected return on any asset (or portfolio) as a linear function of its beta relative to the market portfolio.	Portfolio Risk and Return: Part II
186	<b>Capital budgeting</b>	The process that companies use for decision making on capital projects—those projects with a life of one year or more.	Capital Budgeting
187	<b>Capital consumption allowance</b>	A measure of the wear and tear (depreciation) of the capital stock that occurs in the production of goods and services.	Aggregate Output, Prices, and Economic Growth
188	<b>Capital deepening investment</b>	Increases the stock of capital relative to labor.	Aggregate Output, Prices, and Economic Growth
189	<b>Capital expenditure</b>	Expenditure on physical capital (fixed assets).	Monetary and Fiscal Policy
190	<b>Capital lease</b>	From the lessee perspective, under US GAAP, a type of lease which is more akin to the purchase of an asset by the lessee. From the lessor perspective, under IFRS, a lease which “transfers substantially all the risks and rewards incidental to ownership of an underlying asset.”	Cost of Capital
191	<b>Capital market expectations</b>	An investor’s expectations concerning the risk and return prospects of asset classes.	Basics of Portfolio Planning and Construction
192	<b>Capital market line</b>	(CML) The line with an intercept point equal to the risk-free rate that is tangent to the efficient frontier of risky assets; represents the efficient frontier when a risk-free asset is available for investment.	Portfolio Risk and Return: Part II
193	<b>Capital market securities</b>	Securities with maturities at issuance longer than one year.	Fixed-Income Securities: Defining Elements
194	<b>Capital markets</b>	Financial markets that trade securities of longer duration, such as bonds and equities.	Market Organization and Structure
195	<b>Capital rationing</b>	A capital rationing environment assumes that the company has a fixed amount of funds to invest.	Capital Budgeting
196	<b>Capital restrictions</b>	Controls placed on foreigners’ ability to own domestic assets and/or domestic residents’ ability to own foreign assets.	International Trade and Capital Flows
197	<b>Capital stock</b>	The accumulated amount of buildings, machinery, and equipment used to produce goods and services.	Aggregate Output, Prices, and Economic Growth
198	<b>Capital structure</b>	The mix of debt and equity that a company uses to finance its business; a company’s specific mixture of long-term financing.	Understanding Balance Sheets
199	<b>Capital structure</b>	The mix of debt and equity that a company uses to finance its business; a company’s specific mixture of long-term financing.	Fundamentals of Credit Analysis
200	<b>Captive finance subsidiary</b>	A wholly-owned subsidiary of a company that is established to provide financing of the sales of the parent company.	Working Capital Management
201	<b>Carrying amount</b>	The amount at which an asset or liability is valued according to accounting principles.	Income Taxes
202	<b>Carrying value</b>	The net amount shown for an asset or liability on the balance sheet; book value may also refer to the company’s excess of total assets over total liabilities. For a bond, the purchase price plus (or minus) the amortized amount of the discount (or premium).	Understanding Fixed-Income Risk and Return



203	<b>Carrying value</b>	The net amount shown for an asset or liability on the balance sheet; book value may also refer to the company's excess of total assets over total liabilities. For a bond, the purchase price plus (or minus) the amortized amount of the discount (or premium).	Equity Valuation: Concepts and Basic Tools
204	<b>Carry</b>	The net of the costs and benefits of holding, storing, or "carrying" an asset.	Basics of Derivative Pricing and Valuation
205	<b>Cartel</b>	Participants in collusive agreements that are made openly and formally.	The Firm and Market Structures
206	<b>Cash collateral account</b>	Form of external credit enhancement whereby the issuer immediately borrows the credit-enhancement amount and then invests that amount, usually in highly rated short-term commercial paper.	Fixed-Income Securities: Defining Elements
207	<b>Cash conversion cycle</b>	A financial metric that measures the length of time required for a company to convert cash invested in its operations to cash received as a result of its operations; equal to days of inventory on hand + days of sales outstanding – number of days of payables.	Working Capital Management
208	<b>Cash conversion cycle</b>	A financial metric that measures the length of time required for a company to convert cash invested in its operations to cash received as a result of its operations; equal to days of inventory on hand + days of sales outstanding – number of days of payables.	Financial Analysis Techniques
209	<b>Cash flow additivity principle</b>	The principle that dollar amounts indexed at the same point in time are additive.	The Time Value of Money
210	<b>Cash flow from operating activities</b>	The net amount of cash provided from operating activities.	Understanding Cash Flow Statements
211	<b>Cash flow from operations</b>	The net amount of cash provided from operating activities.	Understanding Cash Flow Statements
212	<b>Cash flow yield</b>	The internal rate of return on a series of cash flows.	Understanding Fixed-Income Risk and Return
213	<b>Cash market securities</b>	Money market securities settled on a "same day" or "cash settlement" basis.	Introduction to Fixed-Income Valuation
214	<b>Cash markets</b>	Markets in which assets are traded for immediate delivery.	Derivative Markets and Instruments
215	<b>Cash prices</b>	The price of an asset for immediately delivery.	Derivative Markets and Instruments
216	<b>Cash-settled forwards</b>	Cash-settled forward contracts, used predominately with respect to foreign exchange forwards.	Derivative Markets and Instruments
217	<b>CBOE Volatility Index</b>	A measure of near-term market volatility as conveyed by S&P 500 stock index option prices.	Technical Analysis
218	<b>Central bank funds market</b>	The market in which deposit-taking banks that have an excess reserve with their national central bank can loan money to banks that need funds for maturities ranging from overnight to one year. Called the Federal or Fed funds market in the United States.	Fixed-Income Markets: Issuance, Trading, and Funding
219	<b>Central bank funds rates</b>	Interest rates at which central bank funds are bought (borrowed) and sold (lent) for maturities ranging from overnight to one year. Called Federal or Fed funds rates in the United States.	Fixed-Income Markets: Issuance, Trading, and Funding
220	<b>Central banks</b>	The dominant bank in a country, usually with official or semi-official governmental status.	Monetary and Fiscal Policy
221	<b>Certificate of deposit</b>	An instrument that represents a specified amount of funds on deposit with a bank for a specified maturity and interest rate. CDs are issued in various denominations and can be negotiable or non-negotiable.	Fixed-Income Markets: Issuance, Trading, and Funding
222	<b>Change in polarity principle</b>	A tenet of technical analysis that once a support level is breached, it becomes a resistance level. The same holds true for resistance levels; once breached, they become support levels.	Technical Analysis
223	<b>Change of control put</b>	A covenant giving bondholders the right to require the issuer to buy back their debt, often at par or at some small premium to par value, in the event that the borrower is acquired.	Fundamentals of Credit Analysis
224	<b>Character</b>	The quality of a debt issuer's management.	Fundamentals of Credit Analysis
225	<b>Classified balance sheet</b>	A balance sheet organized so as to group together the various assets and liabilities into subcategories (e.g., current and noncurrent).	Understanding Balance Sheets
226	<b>Clawback</b>	A requirement that the general partner return any funds distributed as incentive fees until the limited partners have received back their initial investment and a percentage of the total profit.	Introduction to Alternative Investments
227	<b>Clearinghouse</b>	An entity associated with a futures market that acts as middleman between the contracting parties and guarantees to each party the performance of the other.	Market Organization and Structure
228	<b>Clearing instructions</b>	Instructions that indicate how to arrange the final settlement ("clearing") of a trade.	Market Organization and Structure

229	<b>Clearing</b>	The process by which the exchange verifies the execution of a transaction and records the participants' identities.	Derivative Markets and Instruments
230	<b>Closed economy</b>	An economy that does not trade with other countries; an autarkic economy.	International Trade and Capital Flows
231	<b>Closed-end fund</b>	A mutual fund in which no new investment money is accepted. New investors invest by buying existing shares, and investors in the fund liquidate by selling their shares to other investors.	Portfolio Management: An Overview
232	<b>Code of ethics</b>	An established guide that communicates an organization's values and overall expectations regarding member behavior. A code of ethics serves as a general guide for how community members should act.	Ethics and Trust in the Investment Profession
233	<b>Coefficient of variation</b>	(CV) The ratio of a set of observations' standard deviation to the observations' mean value.	Statistical Concepts and Market Returns
234	<b>Coincident economic indicators</b>	Turning points that are usually close to those of the overall economy; they are believed to have value for identifying the economy's present state.	Understanding Business Cycles
235	<b>Collateralized bond obligations</b>	A structured asset-backed security that is collateralized by a pool of bonds.	Derivative Markets and Instruments
236	<b>Collateralized debt obligation</b>	Generic term used to describe a security backed by a diversified pool of one or more debt obligations.	Derivative Markets and Instruments
237	<b>Collateralized debt obligation</b>	Generic term used to describe a security backed by a diversified pool of one or more debt obligations.	Introduction to Asset-Backed Securities
238	<b>Collateralized loan obligations</b>	A structured asset-backed security that is collateralized by a pool of loans.	Derivative Markets and Instruments
239	<b>Collateralized mortgage obligation</b>	A security created through the securitization of a pool of mortgage-related products (mortgage pass-through securities or pools of loans).	Introduction to Asset-Backed Securities
240	<b>Collateralized mortgage obligation</b>	A security created through the securitization of a pool of mortgage-related products (mortgage pass-through securities or pools of loans).	Derivative Markets and Instruments
241	<b>Collateral manager</b>	Buys and sells debt obligations for and from the CDO's portfolio of assets (i.e., the collateral) to generate sufficient cash flows to meet the obligations to the CDO bondholders.	Introduction to Asset-Backed Securities
242	<b>Collaterals</b>	Assets or financial guarantees underlying a debt obligation that are above and beyond the issuer's promise to pay.	Introduction to Corporate Governance and Other ESG Considerations
243	<b>Collaterals</b>	Assets or financial guarantees underlying a debt obligation that are above and beyond the issuer's promise to pay.	Fixed-Income Securities: Defining Elements
244	<b>Collaterals</b>	Assets or financial guarantees underlying a debt obligation that are above and beyond the issuer's promise to pay.	Fundamentals of Credit Analysis
245	<b>Collateral trust bonds</b>	Bonds secured by securities such as common shares, other bonds, or other financial assets.	Fixed-Income Securities: Defining Elements
246	<b>Combination</b>	A listing in which the order of the listed items does not matter.	Probability Concepts
247	<b>Commercial paper</b>	A short-term, negotiable, unsecured promissory note that represents a debt obligation of the issuer.	Fixed-Income Markets: Issuance, Trading, and Funding
248	<b>Committed capital</b>	The amount that the limited partners have agreed to provide to the private equity fund.	Introduction to Alternative Investments
249	<b>Committed lines of credit</b>	A bank commitment to extend credit up to a pre-specified amount; the commitment is considered a short-term liability and is usually in effect for 364 days (one day short of a full year).	Working Capital Management
250	<b>Commodity swap</b>	A swap in which the underlying is a commodity such as oil, gold, or an agricultural product.	Market Organization and Structure
251	<b>Common market</b>	Level of economic integration that incorporates all aspects of the customs union and extends it by allowing free movement of factors of production among members.	International Trade and Capital Flows
252	<b>Common shares</b>	A type of security that represent an ownership interest in a company.	Understanding Income Statements
253	<b>Common shares</b>	A type of security that represent an ownership interest in a company.	Overview of Equity Securities
254	<b>Common-size analysis</b>	The restatement of financial statement items using a common denominator or reference item that allows one to identify trends and major differences; an example is an income statement in which all items are expressed as a percent of revenue.	Financial Analysis Techniques
255	<b>Common stock</b>	A type of security that represent an ownership interest in a company.	Understanding Income Statements

256	<b>Company analysis</b>	Analysis of an individual company.	Introduction to Industry and Company Analysis
257	<b>Comparable company</b>	A company that has similar business risk; usually in the same industry and preferably with a single line of business.	Cost of Capital
258	<b>Comparative advantage</b>	A country's ability to produce a good or service at a lower relative cost, or opportunity cost, than its trading partner.	International Trade and Capital Flows
259	<b>Competitive strategy</b>	A company's plans for responding to the threats and opportunities presented by the external environment.	Introduction to Industry and Company Analysis
260	<b>Complements</b>	Goods that tend to be used together; technically, two goods whose cross-price elasticity of demand is negative.	Topics in Supply and Demand Analysis
261	<b>Complements</b>	Goods that tend to be used together; technically, two goods whose cross-price elasticity of demand is negative.	Probability Concepts
262	<b>Complements</b>	Goods that tend to be used together; technically, two goods whose cross-price elasticity of demand is negative.	The Firm and Market Structures
263	<b>Complete markets</b>	Informally, markets in which the variety of distinct securities traded is so broad that any desired payoff in a future state-of-the-world is achievable.	Market Organization and Structure
264	<b>Component cost of capital</b>	The rate of return required by suppliers of capital for an individual source of a company's funding, such as debt or equity.	Cost of Capital
265	<b>Compounding</b>	The process of accumulating interest on interest.	The Time Value of Money
266	<b>Comprehensive income</b>	The change in equity of a business enterprise during a period from nonowner sources; includes all changes in equity during a period except those resulting from investments by owners and distributions to owners; comprehensive income equals net income plus other comprehensive income.	Understanding Income Statements
267	<b>Conditional expected value</b>	The expected value of a stated event given that another event has occurred.	Probability Concepts
268	<b>Conditional probability</b>	The probability of an event given (conditioned on) another event.	Probability Concepts
269	<b>Conditional variances</b>	The variance of one variable, given the outcome of another.	Probability Concepts
270	<b>Consistent</b>	With reference to estimators, describes an estimator for which the probability of estimates close to the value of the population parameter increases as sample size increases.	Probability Concepts
271	<b>Constant-yield price trajectory</b>	A graph that illustrates the change in the price of a fixed-income bond over time assuming no change in yield-to-maturity. The trajectory shows the "pull to par" effect on the price of a bond trading at a premium or a discount to par value.	Introduction to Fixed-Income Valuation
272	<b>Constituent securities</b>	With respect to an index, the individual securities within an index.	Security Market Indexes
273	<b>Consumer surplus</b>	The difference between the value that a consumer places on units purchased and the amount of money that was required to pay for them.	The Firm and Market Structures
274	<b>Contingency provision</b>	Clause in a legal document that allows for some action if a specific event or circumstance occurs.	Fixed-Income Securities: Defining Elements
275	<b>Contingent claims</b>	Derivatives in which the payoffs occur if a specific event occurs; generally referred to as options.	Derivative Markets and Instruments
276	<b>Contingent convertible bonds</b>	Bonds that automatically convert into equity if a specific event or circumstance occurs, such as the issuer's equity capital falling below the minimum requirement set by the regulators.	Fixed-Income Securities: Defining Elements
277	<b>Continuation patterns</b>	A type of pattern used in technical analysis to predict the resumption of a market trend that was in place prior to the formation of a pattern.	Technical Analysis
278	<b>Continuously compounded return</b>	The natural logarithm of 1 plus the holding period return, or equivalently, the natural logarithm of the ending price over the beginning price.	Common Probability Distributions
279	<b>Continuous random variable</b>	A random variable for which the range of possible outcomes is the real line (all real numbers between $-\infty$ and $+\infty$ or some subset of the real line).	Common Probability Distributions
280	<b>Continuous time</b>	Time thought of as advancing in extremely small increments.	Common Probability Distributions
281	<b>Continuous trading market</b>	A market in which trades can be arranged and executed any time the market is open.	Market Organization and Structure
282	<b>Contra account</b>	An account that offsets another account.	Understanding Balance Sheets
283	<b>Contractionary fiscal policy</b>	A fiscal policy that has the objective to make the real economy contract.	Monetary and Fiscal Policy

284	<b>Contractionary</b>	Tending to cause the real economy to contract.	Monetary and Fiscal Policy
285	<b>Contraction</b>	The period of a business cycle after the peak and before the trough; often called a recession or, if exceptionally severe, called a depression.	Understanding Business Cycles
286	<b>Contraction risk</b>	The risk that when interest rates decline, the security will have a shorter maturity than was anticipated at the time of purchase because borrowers refinance at the new, lower interest rates.	Introduction to Asset-Backed Securities
287	<b>Contract rate</b>	The interest rate on a mortgage loan.	Introduction to Asset-Backed Securities
288	<b>Contracts for differences</b>	Cash-settled forward contracts, used predominately with respect to foreign exchange forwards.	Derivative Markets and Instruments
289	<b>Contribution margin</b>	The amount available for fixed costs and profit after paying variable costs; revenue minus variable costs.	Measures of Leverage
290	<b>Controlling shareholders</b>	A particular shareholder or block of shareholders holding a percentage of shares that gives them significant voting power.	Introduction to Corporate Governance and Other ESG Considerations
291	<b>Convenience yield</b>	A non-monetary advantage of holding an asset.	Basics of Derivative Pricing and Valuation
292	<b>Conventional bond</b>	Bond that makes periodic, fixed coupon payments during the bond's life and a lump-sum payment of principal at maturity.	Fixed-Income Securities: Defining Elements
293	<b>Conventional cash flow</b>	A conventional cash flow pattern is one with an initial outflow followed by a series of inflows.	Capital Budgeting
294	<b>Convergence</b>	The tendency for differences in output per capita across countries to diminish over time; in technical analysis, a term that describes the case when an indicator moves in the same manner as the security being analyzed.	Technical Analysis
295	<b>Convergence</b>	The tendency for differences in output per capita across countries to diminish over time; in technical analysis, a term that describes the case when an indicator moves in the same manner as the security being analyzed.	Aggregate Output, Prices, and Economic Growth
296	<b>Conversion price</b>	For a convertible bond, the price per share at which the bond can be converted into shares.	Fixed-Income Securities: Defining Elements
297	<b>Conversion ratio</b>	For a convertible bond, the number of common shares that each bond can be converted into.	Fixed-Income Securities: Defining Elements
298	<b>Conversion value</b>	For a convertible bond, the current share price multiplied by the conversion ratio.	Fixed-Income Securities: Defining Elements
299	<b>Convertible bond</b>	Bond that gives the bondholder the right to exchange the bond for a specified number of common shares in the issuing company.	Fixed-Income Securities: Defining Elements
300	<b>Convertible preference shares</b>	A type of equity security that entitles shareholders to convert their shares into a specified number of common shares.	Overview of Equity Securities
301	<b>Convexity adjustment</b>	For a bond, one half of the annual or approximate convexity statistic multiplied by the change in the yield-to-maturity squared.	Understanding Fixed-Income Risk and Return
302	<b>Core inflation</b>	The inflation rate calculated based on a price index of goods and services except food and energy.	Understanding Business Cycles
303	<b>Corporate governance</b>	The system of internal controls and procedures by which individual companies are managed.	Introduction to Corporate Governance and Other ESG Considerations
304	<b>Correlation coefficient</b>	A number between −1 and +1 that measures the consistency or tendency for two investments to act in a similar way. It is used to determine the effect on portfolio risk when two assets are combined.	Portfolio Risk and Return: Part I
305	<b>Correlation</b>	A number between −1 and +1 that measures the comovement (linear association) between two random variables.	Portfolio Risk and Return: Part II
306	<b>Correlation</b>	A number between −1 and +1 that measures the comovement (linear association) between two random variables.	Probability Concepts
307	<b>Cost averaging</b>	The periodic investment of a fixed amount of money.	Statistical Concepts and Market Returns
308	<b>Cost of capital</b>	The rate of return that suppliers of capital require as compensation for their contribution of capital.	Cost of Capital
309	<b>Cost of carry</b>	The net of the costs and benefits of holding, storing, or “carrying” an asset.	Basics of Derivative Pricing and Valuation
310	<b>Cost of debt</b>	The cost of debt financing to a company, such as when it issues a bond or takes out a bank loan.	Capital Budgeting

311	<b>Cost of debt</b>	The cost of debt financing to a company, such as when it issues a bond or takes out a bank loan.	Cost of Capital
312	<b>Cost of preferred stock</b>	The cost to a company of issuing preferred stock; the dividend yield that a company must commit to pay preferred stockholders.	Cost of Capital
313	<b>Cost-push</b>	Type of inflation in which rising costs, usually wages, compel businesses to raise prices generally.	Understanding Business Cycles
314	<b>Cost structure</b>	The mix of a company's variable costs and fixed costs.	Measures of Leverage
315	<b>Counterparty risk</b>	The risk that the other party to a contract will fail to honor the terms of the contract.	Market Organization and Structure
316	<b>Coupon rate</b>	The interest rate promised in a contract; this is the rate used to calculate the periodic interest payments.	Non-Current (Long-Term) Liabilities
317	<b>Cournot assumption</b>	Assumption in which each firm determines its profit-maximizing production level assuming that the other firms' output will not change.	The Firm and Market Structures
318	<b>Covariance matrix</b>	A matrix or square array whose entries are covariances; also known as a variance–covariance matrix.	Probability Concepts
319	<b>Covariance</b>	A measure of the co-movement (linear association) between two random variables.	Portfolio Risk and Return: Part I
320	<b>Covariance</b>	A measure of the co-movement (linear association) between two random variables.	Portfolio Risk and Return: Part II
321	<b>Covenants</b>	The terms and conditions of lending agreements that the issuer must comply with; they specify the actions that an issuer is obligated to perform (affirmative covenant) or prohibited from performing (negative covenant).	Fixed-Income Securities: Defining Elements
322	<b>Covenants</b>	The terms and conditions of lending agreements that the issuer must comply with; they specify the actions that an issuer is obligated to perform (affirmative covenant) or prohibited from performing (negative covenant).	Fundamentals of Credit Analysis
323	<b>Covenants</b>	The terms and conditions of lending agreements that the issuer must comply with; they specify the actions that an issuer is obligated to perform (affirmative covenant) or prohibited from performing (negative covenant).	Introduction to Corporate Governance and Other ESG Considerations
324	<b>Covered bond</b>	Debt obligation secured by a segregated pool of assets called the cover pool. The issuer must maintain the value of the cover pool. In the event of default, bondholders have recourse against both the issuer and the cover pool.	Fixed-Income Securities: Defining Elements
325	<b>Credit analysis</b>	The evaluation of credit risk; the evaluation of the creditworthiness of a borrower or counterparty.	Applications of Financial Statement Analysis
326	<b>Credit analysis</b>	The evaluation of credit risk; the evaluation of the creditworthiness of a borrower or counterparty.	Financial Analysis Techniques
327	<b>Credit curve</b>	A curve showing the relationship between time to maturity and yield spread for an issuer with comparable bonds of various maturities outstanding, usually upward sloping.	Fundamentals of Credit Analysis
328	<b>Credit default swap (CDS)</b>	A type of credit derivative in which one party, the credit protection buyer who is seeking credit protection against a third party, makes a series of regularly scheduled payments to the other party, the credit protection seller. The seller makes no payments until a credit event occurs.	Introduction to Risk Management
329	<b>Credit default swap (CDS)</b>	A type of credit derivative in which one party, the credit protection buyer who is seeking credit protection against a third party, makes a series of regularly scheduled payments to the other party, the credit protection seller. The seller makes no payments until a credit event occurs.	Derivative Markets and Instruments
330	<b>Credit derivatives</b>	A contract in which one party has the right to claim a payment from another party in the event that a specific credit event occurs over the life of the contract.	Derivative Markets and Instruments
331	<b>Credit enhancements</b>	Provisions that may be used to reduce the credit risk of a bond issue.	Fixed-Income Securities: Defining Elements
332	<b>Credit-linked coupon bond</b>	Bond for which the coupon changes when the bond's credit rating changes.	Fixed-Income Securities: Defining Elements
333	<b>Credit-linked note (CLN)</b>	Fixed-income security in which the holder of the security has the right to withhold payment of the full amount due at maturity if a credit event occurs.	Fixed-Income Markets: Issuance, Trading, and Funding
334	<b>Credit-linked note (CLN)</b>	Fixed-income security in which the holder of the security has the right to withhold payment of the full amount due at maturity if a credit event occurs.	Derivative Markets and Instruments
335	<b>Credit migration risk</b>	The risk that a bond issuer's creditworthiness deteriorates, or migrates lower, leading investors to believe the risk of default is higher.	Fundamentals of Credit Analysis
336	<b>Credit risk</b>	The risk of loss caused by a counterparty's or debtor's failure to make a promised payment.	Introduction to Risk Management
337	<b>Credit risk</b>	The risk of loss caused by a counterparty's or debtor's failure to make a promised payment.	Applications of Financial Statement Analysis

338	<b>Credit risk</b>	The risk of loss caused by a counterparty's or debtor's failure to make a promised payment.	Financial Analysis Techniques
339	<b>Credit scoring model</b>	A statistical model used to classify borrowers according to creditworthiness.	Working Capital Management
340	<b>Credit spread option</b>	An option on the yield spread on a bond.	Derivative Markets and Instruments
341	<b>Credit tranching</b>	A structure used to redistribute the credit risk associated with the collateral; a set of bond classes created to allow investors a choice in the amount of credit risk that they prefer to bear.	Introduction to Asset-Backed Securities
342	<b>Credit tranching</b>	A structure used to redistribute the credit risk associated with the collateral; a set of bond classes created to allow investors a choice in the amount of credit risk that they prefer to bear.	Fixed-Income Securities: Defining Elements
343	<b>Credit-worthiness</b>	The perceived ability of the borrower to pay what is owed on the borrowing in a timely manner; it represents the ability of a company to withstand adverse impacts on its cash flows.	Working Capital Management
344	<b>Cross-default provisions</b>	Provisions whereby events of default such as non-payment of interest on one bond trigger default on all outstanding debt; implies the same default probability for all issues.	Fundamentals of Credit Analysis
345	<b>Crossing networks</b>	Trading systems that match buyers and sellers who are willing to trade at prices obtained from other markets.	Market Organization and Structure
346	<b>Cross-price elasticity of demand</b>	The percentage change in quantity demanded for a given percentage change in the price of another good; the responsiveness of the demand for Product A that is associated with the change in price of Product B.	The Firm and Market Structures
347	<b>Cross-price elasticity of demand</b>	The percentage change in quantity demanded for a given percentage change in the price of another good; the responsiveness of the demand for Product A that is associated with the change in price of Product B.	Topics in Supply and Demand Analysis
348	<b>Cross-sectional analysis</b>	Analysis that involves comparisons across individuals in a group over a given time period or at a given point in time.	Financial Analysis Techniques
349	<b>Cross-sectional data</b>	Observations over individual units at a point in time, as opposed to time-series data.	Statistical Concepts and Market Returns
350	<b>Crowding out</b>	The thesis that government borrowing may divert private sector investment from taking place.	Monetary and Fiscal Policy
351	<b>Cryptocurrency</b>	An electronic medium of exchange that lacks physical form.	Fintech in Investment Management
352	<b>Cryptography</b>	An algorithmic process to encrypt data, making the data unusable if received by unauthorized parties.	Fintech in Investment Management
353	<b>Cumulative distribution function</b>	A function giving the probability that a random variable is less than or equal to a specified value.	Common Probability Distributions
354	<b>Cumulative preference shares</b>	Preference shares for which any dividends that are not paid accrue and must be paid in full before dividends on common shares can be paid.	Overview of Equity Securities
355	<b>Cumulative relative frequency</b>	For data grouped into intervals, the fraction of total observations that are less than the value of the upper limit of a stated interval.	Statistical Concepts and Market Returns
356	<b>Cumulative voting</b>	A voting process whereby each shareholder can accumulate and vote all his or her shares for a single candidate in an election, as opposed to having to allocate their voting rights evenly among all candidates.	Introduction to Corporate Governance and Other ESG Considerations
357	<b>Cumulative voting</b>	A voting process whereby each shareholder can accumulate and vote all his or her shares for a single candidate in an election, as opposed to having to allocate their voting rights evenly among all candidates.	Overview of Equity Securities
358	<b>Currencies</b>	Monies issued by national monetary authorities.	Market Organization and Structure
359	<b>Currency option bonds</b>	Bonds that give the bondholder the right to choose the currency in which he or she wants to receive interest payments and principal repayments.	Fixed-Income Securities: Defining Elements
360	<b>Currency swap</b>	A swap in which each party makes interest payments to the other in different currencies.	Market Organization and Structure
361	<b>Current account</b>	A component of the balance of payments account that measures the flow of goods and services.	International Trade and Capital Flows
362	<b>Current assets</b>	Assets that are expected to be consumed or converted into cash in the near future, typically one year or less.	Understanding Balance Sheets
363	<b>Current cost</b>	With reference to assets, the amount of cash or cash equivalents that would have to be paid to buy the same or an equivalent asset today; with reference to liabilities, the undiscounted amount of cash or cash equivalents that would be required to settle the obligation today.	Financial Reporting Standards
364	<b>Current government spending</b>	With respect to government expenditures, spending on goods and services that are provided on a regular, recurring basis including health, education, and defense.	Monetary and Fiscal Policy

365	<b>Current liabilities</b>	Short-term obligations, such as accounts payable, wages payable, or accrued liabilities, that are expected to be settled in the near future, typically one year or less.	Understanding Balance Sheets
366	<b>Current ratio</b>	A liquidity ratio calculated as current assets divided by current liabilities.	Working Capital Management
367	<b>Current yield</b>	The sum of the coupon payments received over the year divided by the flat price.	Fixed-Income Securities: Defining Elements
368	<b>Current yield</b>	The sum of the coupon payments received over the year divided by the flat price.	Introduction to Fixed-Income Valuation
369	<b>Curve duration</b>	The sensitivity of the bond price (or the market value of a financial asset or liability) with respect to a benchmark yield curve.	Understanding Fixed-Income Risk and Return
370	<b>Customs union</b>	Extends the free trade area (FTA) by not only allowing free movement of goods and services among members, but also creating a common trade policy against nonmembers.	International Trade and Capital Flows
371	<b>CVaR</b>	Conditional VaR, a tail loss measure. The weighted average of all loss outcomes in the statistical distribution that exceed the VaR loss.	Introduction to Risk Management
372	<b>Cyclical companies</b>	Companies with sales and profits that regularly expand and contract with the business cycle or state of economy.	Aggregate Output, Prices, and Economic Growth
373	<b>Cyclical</b>	Companies with sales and profits that regularly expand and contract with the business cycle or state of economy.	Introduction to Industry and Company Analysis
374	<b>Daily settlement</b>	The revaluation of a financial asset or liability to its current market value or fair value.	Derivative Markets and Instruments
375	<b>Dark pools</b>	Alternative trading systems that do not display the orders that their clients send to them.	Market Organization and Structure
376	<b>Data mining</b>	The practice of determining a model by extensive searching through a dataset for statistically significant patterns.	Market Efficiency
377	<b>Data mining</b>	The practice of determining a model by extensive searching through a dataset for statistically significant patterns.	Sampling and Estimation
378	<b>Data science</b>	An interdisciplinary field that brings computer science, statistics, and other disciplines together to analyze and produce insights from Big Data.	Fintech in Investment Management
379	<b>Data snooping</b>	The practice of determining a model by extensive searching through a dataset for statistically significant patterns.	Market Efficiency
380	<b>Day order</b>	An order that is good for the day on which it is submitted. If it has not been filled by the close of business, the order expires unfilled.	Market Organization and Structure
381	<b>Days in receivables</b>	Estimate of the average number of days it takes to collect on credit accounts.	Working Capital Management
382	<b>Days of inventory on hand</b>	An activity ratio equal to the number of days in the period divided by inventory turnover over the period.	Inventories
383	<b>Day's sales outstanding</b>	Estimate of the average number of days it takes to collect on credit accounts.	Working Capital Management
384	<b>Dealers</b>	A financial intermediary that acts as a principal in trades.	Market Organization and Structure
385	<b>Dealing securities</b>	Securities held by banks or other financial intermediaries for trading purposes.	Understanding Cash Flow Statements
386	<b>Death cross</b>	A technical analysis term that describes a situation where a short-term moving average crosses from above a longer-term moving average to below it; this movement is considered bearish.	Technical Analysis
387	<b>Debentures</b>	Type of bond that can be secured or unsecured.	Fixed-Income Securities: Defining Elements
388	<b>Debt incurrence test</b>	A financial covenant made in conjunction with existing debt that restricts a company's ability to incur additional debt at the same seniority based on one or more financial tests or conditions.	Cost of Capital
389	<b>Debt-rating approach</b>	A method for estimating a company's before-tax cost of debt based upon the yield on comparably rated bonds for maturities that closely match that of the company's existing debt.	Cost of Capital
390	<b>Debt-to-assets ratio</b>	A solvency ratio calculated as total debt divided by total assets.	Financial Analysis Techniques
391	<b>Debt-to-capital ratio</b>	A solvency ratio calculated as total debt divided by total debt plus total shareholders' equity.	Financial Analysis Techniques

392	<b>Debt-to-equity ratio</b>	A solvency ratio calculated as total debt divided by total shareholders' equity.	Financial Analysis Techniques
393	<b>Declaration date</b>	The day that the corporation issues a statement declaring a specific dividend.	Equity Valuation: Concepts and Basic Tools
394	<b>Decreasing returns to scale</b>	When a production process leads to increases in output that are proportionately smaller than the increase in inputs.	Topics in Supply and Demand Analysis
395	<b>Deductible temporary differences</b>	Temporary differences that result in a reduction of or deduction from taxable income in a future period when the balance sheet item is recovered or settled.	Income Taxes
396	<b>Deep learning nets</b>	Machine learning using neural networks with many hidden layers.	Fintech in Investment Management
397	<b>Deep learning</b>	Machine learning using neural networks with many hidden layers.	Fintech in Investment Management
398	<b>Default probability</b>	The probability that a borrower defaults or fails to meet its obligation to make full and timely payments of principal and interest, according to the terms of the debt security.	Fundamentals of Credit Analysis
399	<b>Default risk</b>	The probability that a borrower defaults or fails to meet its obligation to make full and timely payments of principal and interest, according to the terms of the debt security.	Fundamentals of Credit Analysis
400	<b>Default risk premium</b>	An extra return that compensates investors for the possibility that the borrower will fail to make a promised payment at the contracted time and in the contracted amount.	The Time Value of Money
401	<b>Defensive companies</b>	Companies with sales and profits that have little sensitivity to the business cycle or state of the economy.	Aggregate Output, Prices, and Economic Growth
402	<b>Defensive interval ratio</b>	A liquidity ratio that estimates the number of days that an entity could meet cash needs from liquid assets; calculated as (cash + short-term marketable investments + receivables) divided by daily cash expenditures.	Financial Analysis Techniques
403	<b>Deferred coupon bond</b>	Bond that pays no coupons for its first few years but then pays a higher coupon than it otherwise normally would for the remainder of its life.	Fixed-Income Securities: Defining Elements
404	<b>Deferred income</b>	A liability account for money that has been collected for goods or services that have not yet been delivered; payment received in advance of providing a good or service.	Understanding Balance Sheets
405	<b>Deferred revenue</b>	A liability account for money that has been collected for goods or services that have not yet been delivered; payment received in advance of providing a good or service.	Understanding Balance Sheets
406	<b>Deferred tax assets</b>	A balance sheet asset that arises when an excess amount is paid for income taxes relative to accounting profit. The taxable income is higher than accounting profit and income tax payable exceeds tax expense. The company expects to recover the difference during the course of future operations when tax expense exceeds income tax payable.	Income Taxes
407	<b>Deferred tax assets</b>	A balance sheet asset that arises when an excess amount is paid for income taxes relative to accounting profit. The taxable income is higher than accounting profit and income tax payable exceeds tax expense. The company expects to recover the difference during the course of future operations when tax expense exceeds income tax payable.	Understanding Balance Sheets
408	<b>Deferred tax liabilities</b>	A balance sheet liability that arises when a deficit amount is paid for income taxes relative to accounting profit. The taxable income is less than the accounting profit and income tax payable is less than tax expense. The company expects to eliminate the liability over the course of future operations when income tax payable exceeds tax expense.	Income Taxes
409	<b>Deferred tax liabilities</b>	A balance sheet liability that arises when a deficit amount is paid for income taxes relative to accounting profit. The taxable income is less than the accounting profit and income tax payable is less than tax expense. The company expects to eliminate the liability over the course of future operations when income tax payable exceeds tax expense.	Understanding Balance Sheets
410	<b>Defined benefit pension plans</b>	Plans in which the company promises to pay a certain annual amount (defined benefit) to the employee after retirement. The company bears the investment risk of the plan assets.	Portfolio Management: An Overview
411	<b>Defined benefit pension plans</b>	Plans in which the company promises to pay a certain annual amount (defined benefit) to the employee after retirement. The company bears the investment risk of the plan assets.	Non-Current (Long-Term) Liabilities
412	<b>Defined contribution pension plans</b>	Individual accounts to which an employee and typically the employer makes contributions during their working years and expect to draw on the accumulated funds at retirement. The employee bears the investment and inflation risk of the plan assets.	Non-Current (Long-Term) Liabilities
413	<b>Defined contribution pension plans</b>	Individual accounts to which an employee and typically the employer makes contributions during their working years and expect to draw on the accumulated funds at retirement. The employee bears the investment and inflation risk of the plan assets.	Portfolio Management: An Overview
414	<b>Deflation</b>	Negative inflation.	Monetary and Fiscal Policy



415	<b>Deflation</b>	Negative inflation.	Understanding Business Cycles
416	<b>Degree of confidence</b>	The probability that a confidence interval includes the unknown population parameter.	Sampling and Estimation
417	<b>Degree of financial leverage</b>	(DFL) The ratio of the percentage change in net income to the percentage change in operating income; the sensitivity of the cash flows available to owners when operating income changes.	Measures of Leverage
418	<b>Degree of operating leverage</b>	(DOL) The ratio of the percentage change in operating income to the percentage change in units sold; the sensitivity of operating income to changes in units sold.	Measures of Leverage
419	<b>Degree of total leverage</b>	The ratio of the percentage change in net income to the percentage change in units sold; the sensitivity of the cash flows to owners to changes in the number of units produced and sold.	Measures of Leverage
420	<b>Degrees of freedom (df)</b>	The number of independent observations used.	Sampling and Estimation
421	<b>Delta</b>	The sensitivity of the derivative price to a small change in the value of the underlying asset.	Introduction to Risk Management
422	<b>Demand curve</b>	Graph of the inverse demand function. A graph showing the demand relation, either the highest quantity willingly purchased at each price or the highest price willingly paid for each quantity.	Topics in Supply and Demand Analysis
423	<b>Demand function</b>	A relationship that expresses the quantity demanded of a good or service as a function of own-price and possibly other variables.	Topics in Supply and Demand Analysis
424	<b>Demand-pull</b>	Type of inflation in which increasing demand raises prices generally, which then are reflected in a business's costs as workers demand wage hikes to catch up with the rising cost of living.	Understanding Business Cycles
425	<b>Demand shock</b>	A typically unexpected disturbance to demand, such as an unexpected interruption in trade or transportation.	Monetary and Fiscal Policy
426	<b>Dependent</b>	With reference to events, the property that the probability of one event occurring depends on (is related to) the occurrence of another event.	Probability Concepts
427	<b>Depository bank</b>	A bank that raises funds from depositors and other investors and lends it to borrowers.	Overview of Equity Securities
428	<b>Depository institutions</b>	Commercial banks, savings and loan banks, credit unions, and similar institutions that raise funds from depositors and other investors and lend it to borrowers.	Market Organization and Structure
429	<b>Depository receipt</b>	A security that trades like an ordinary share on a local exchange and represents an economic interest in a foreign company.	Overview of Equity Securities
430	<b>Depreciation</b>	The process of systematically allocating the cost of long-lived (tangible) assets to the periods during which the assets are expected to provide economic benefits.	Introduction to Financial Statement Analysis
431	<b>Depreciation</b>	The process of systematically allocating the cost of long-lived (tangible) assets to the periods during which the assets are expected to provide economic benefits.	Understanding Income Statements
432	<b>Depression</b>	The period of a business cycle after the peak and before the trough; often called a recession or, if exceptionally severe, called a depression.	Understanding Business Cycles
433	<b>Derivative pricing rule</b>	A pricing rule used by crossing networks in which a price is taken (derived) from the price that is current in the asset's primary market.	Market Organization and Structure
434	<b>Derivatives</b>	A financial instrument whose value depends on the value of some underlying asset or factor (e.g., a stock price, an interest rate, or exchange rate).	Derivative Markets and Instruments
435	<b>Derivatives</b>	A financial instrument whose value depends on the value of some underlying asset or factor (e.g., a stock price, an interest rate, or exchange rate).	Understanding Balance Sheets
436	<b>Descriptive statistics</b>	The study of how data can be summarized effectively.	Statistical Concepts and Market Returns
437	<b>Development capital</b>	Minority equity investments in more mature companies that are seeking capital to expand or restructure operations, enter new markets, or finance major acquisitions.	Introduction to Alternative Investments
438	<b>Diffuse prior</b>	The assumption of equal prior probabilities.	Probability Concepts
439	<b>Diffusion index</b>	Reflects the proportion of the index's components that are moving in a pattern consistent with the overall index.	Understanding Business Cycles
440	<b>Diluted EPS</b>	The EPS that would result if all dilutive securities were converted into common shares.	Financial Analysis Techniques
441	<b>Diluted EPS</b>	The EPS that would result if all dilutive securities were converted into common shares.	Understanding Income Statements

442	<b>Diluted shares</b>	The number of shares that would be outstanding if all potentially dilutive claims on common shares (e.g., convertible debt, convertible preferred stock, and employee stock options) were exercised.	Introduction to Financial Statement Analysis
443	<b>Diminishing balance method</b>	An accelerated depreciation method, i.e., one that allocates a relatively large proportion of the cost of an asset to the early years of the asset's useful life.	Understanding Income Statements
444	<b>Diminishing marginal productivity</b>	Describes a state in which each additional unit of input produces less output than previously.	Aggregate Output, Prices, and Economic Growth
445	<b>Direct debit program</b>	An arrangement whereby a customer authorizes a debit to a demand account; typically used by companies to collect routine payments for services.	Working Capital Management
446	<b>Direct financing leases</b>	Under US GAAP, a type of finance lease, from a lessor perspective, where the present value of the lease payments (lease receivable) equals the carrying value of the leased asset. No selling profit is recognized at lease inception. The revenues earned by the lessor are financing in nature.	Non-Current (Long-Term) Liabilities
447	<b>Direct format</b>	With reference to the cash flow statement, a format for the presentation of the statement in which cash flow from operating activities is shown as operating cash receipts less operating cash disbursements.	Understanding Cash Flow Statements
448	<b>Direct method</b>	With reference to the cash flow statement, a format for the presentation of the statement in which cash flow from operating activities is shown as operating cash receipts less operating cash disbursements.	Understanding Cash Flow Statements
449	<b>Direct taxes</b>	Taxes levied directly on income, wealth, and corporate profits.	Monetary and Fiscal Policy
450	<b>Direct write-off method</b>	An approach to recognizing credit losses on customer receivables in which the company waits until such time as a customer has defaulted and only then recognizes the loss.	Understanding Income Statements
451	<b>Disbursement float</b>	The amount of time between check issuance and a check's clearing back against the company's account.	Working Capital Management
452	<b>Discounted cash flow models</b>	Valuation models that estimate the intrinsic value of a security as the present value of the future benefits expected to be received from the security.	Equity Valuation: Concepts and Basic Tools
453	<b>Discounted payback period</b>	the number of years it takes for the cumulative discounted cash flows from a project to equal the original investment.	Capital Budgeting
454	<b>Discount interest</b>	A procedure for determining the interest on a loan or bond in which the interest is deducted from the face value in advance.	Working Capital Management
455	<b>Discount margin</b>	The yield spread over, or under, the reference rate such that an FRN is priced at par value on a rate reset date.	Introduction to Fixed-Income Valuation
456	<b>Discount</b>	To reduce the value of a future payment in allowance for how far away it is in time; to calculate the present value of some future amount. Also, the amount by which an instrument is priced below its face (par) value.	The Time Value of Money
457	<b>Discount</b>	To reduce the value of a future payment in allowance for how far away it is in time; to calculate the present value of some future amount. Also, the amount by which an instrument is priced below its face (par) value.	Introduction to Fixed-Income Valuation
458	<b>Discount rates</b>	In general, the interest rate used to calculate a present value. In the money market, however, discount rate is a specific type of quoted rate.	Introduction to Fixed-Income Valuation
459	<b>Discouraged worker</b>	A person who has stopped looking for a job or has given up seeking employment.	Understanding Business Cycles
460	<b>Discrete random variable</b>	A random variable that can take on at most a countable number of possible values.	Common Probability Distributions
461	<b>Discriminatory pricing rule</b>	A pricing rule used in continuous markets in which the limit price of the order or quote that first arrived determines the trade price.	Market Organization and Structure
462	<b>Diseconomies of scale</b>	Increase in cost per unit resulting from increased production.	Topics in Supply and Demand Analysis
463	<b>Dispersion</b>	The variability around the central tendency.	Statistical Concepts and Market Returns
464	<b>Display size</b>	The size of an order displayed to public view.	Market Organization and Structure
465	<b>Distressed investing</b>	Investing in securities of companies in financial difficulty. Private equity funds that specialize in distressed investing typically buy the debt of mature companies in financial difficulty.	Introduction to Alternative Investments
466	<b>Distributed ledger</b>	A type of database that may be shared among entities in a network.	Fintech in Investment Management
467	<b>Distributed ledger technology</b>	Technology based on a distributed ledger.	Fintech in Investment Management
468	<b>Divergence</b>	In technical analysis, a term that describes the case when an indicator moves differently from the security being analyzed.	Technical Analysis

469	<b>Diversification ratio</b>	The ratio of the standard deviation of an equally weighted portfolio to the standard deviation of a randomly selected security.	Portfolio Management: An Overview
470	<b>Dividend discount model based approach</b>	An approach for estimating a country's equity risk premium. The market rate of return is estimated as the sum of the dividend yield and the growth rate in dividends for a market index. Subtracting the risk-free rate of return from the estimated market return produces an estimate for the equity risk premium.	Cost of Capital
471	<b>Dividend discount model</b>	(DDM) A present value model that estimates the intrinsic value of an equity share based on the present value of its expected future dividends.	Equity Valuation: Concepts and Basic Tools
472	<b>Dividend</b>	A distribution paid to shareholders based on the number of shares owned.	Equity Valuation: Concepts and Basic Tools
473	<b>Dividend payout ratio</b>	The ratio of cash dividends paid to earnings for a period.	Financial Analysis Techniques
474	<b>Divisor</b>	A number (denominator) used to determine the value of a price return index. It is initially chosen at the inception of an index and subsequently adjusted by the index provider, as necessary, to avoid changes in the index value that are unrelated to changes in the prices of its constituent securities.	Security Market Indexes
475	<b>Domestic content provisions</b>	Stipulate that some percentage of the value added or components used in production should be of domestic origin.	International Trade and Capital Flows
476	<b>Double bottoms</b>	In technical analysis, a reversal pattern that is formed when the price reaches a low, rebounds, and then sells off back to the first low level; used to predict a change from a downtrend to an uptrend.	Technical Analysis
477	<b>Double coincidence of wants</b>	A prerequisite to barter trades, in particular that both economic agents in the transaction want what the other is selling.	Monetary and Fiscal Policy
478	<b>Double declining balance depreciation</b>	An accelerated depreciation method that involves depreciating the asset at double the straight-line rate. This rate is multiplied by the book value of the asset at the beginning of the period (a declining balance) to calculate depreciation expense.	Understanding Income Statements
479	<b>Double top</b>	In technical analysis, a reversal pattern that is formed when an uptrend reverses twice at roughly the same high price level; used to predict a change from an uptrend to a downtrend.	Technical Analysis
480	<b>Downgrade risk</b>	The risk that a bond issuer's creditworthiness deteriorates, or migrates lower, leading investors to believe the risk of default is higher.	Fundamentals of Credit Analysis
481	<b>Down transition probability</b>	The probability that an asset's value moves down in a model of asset price dynamics.	Common Probability Distributions
482	<b>Drag on liquidity</b>	When receipts lag, creating pressure from the decreased available funds.	Working Capital Management
483	<b>Drawdown</b>	A percentage peak-to-trough reduction in net asset value.	Introduction to Alternative Investments
484	<b>Dual-currency bonds</b>	Bonds that make coupon payments in one currency and pay the par value at maturity in another currency.	Fixed-Income Securities: Defining Elements
485	<b>DuPont analysis</b>	An approach to decomposing return on investment, e.g., return on equity, as the product of other financial ratios.	Financial Analysis Techniques
486	<b>Duration gap</b>	A bond's Macaulay duration minus the investment horizon.	Understanding Fixed-Income Risk and Return
487	<b>Duration</b>	A measure of the approximate sensitivity of a security to a change in interest rates (i.e., a measure of interest rate risk).	Introduction to Risk Management
488	<b>Dutch Book theorem</b>	A result in probability theory stating that inconsistent probabilities create profit opportunities.	Probability Concepts
489	<b>Early repayment option</b>	Contractual provision that entitles the borrower to prepay all or part of the outstanding mortgage principal prior to the scheduled due date when the principal must be repaid.	Introduction to Asset-Backed Securities
490	<b>Earnings per share</b>	The amount of income earned during a period per share of common stock.	Understanding Income Statements
491	<b>Earnings surprise</b>	The portion of a company's earnings that is unanticipated by investors and, according to the efficient market hypothesis, merits a price adjustment.	Market Efficiency
492	<b>Economic costs</b>	All the remuneration needed to keep a productive resource in its current employment or to acquire the resource for productive use; the sum of total accounting costs and implicit opportunity costs.	Topics in Supply and Demand Analysis
493	<b>Economic costs</b>	All the remuneration needed to keep a productive resource in its current employment or to acquire the resource for productive use; the sum of total accounting costs and implicit opportunity costs.	The Firm and Market Structures
494	<b>Economic indicator</b>	A variable that provides information on the state of the overall economy.	Understanding Business Cycles
495	<b>Economic loss</b>	The amount by which accounting profit is less than normal profit.	Topics in Supply and Demand Analysis

496	<b>Economic order quantity–reorder point (EOQ–ROP)</b>	An approach to managing inventory based on expected demand and the predictability of demand; the ordering point for new inventory is determined based on the costs of ordering and carrying inventory, such that the total cost associated with inventory is minimized.	Working Capital Management
497	<b>Economic profit</b>	Equal to accounting profit less the implicit opportunity costs not included in total accounting costs; the difference between total revenue (TR) and total cost (TC).	The Firm and Market Structures
498	<b>Economic profit</b>	Equal to accounting profit less the implicit opportunity costs not included in total accounting costs; the difference between total revenue (TR) and total cost (TC).	Topics in Supply and Demand Analysis
499	<b>Economic profit</b>	Equal to accounting profit less the implicit opportunity costs not included in total accounting costs; the difference between total revenue (TR) and total cost (TC).	Introduction to Industry and Company Analysis
500	<b>Economic stabilization</b>	Reduction of the magnitude of economic fluctuations.	Monetary and Fiscal Policy
501	<b>Economic union</b>	Incorporates all aspects of a common market and in addition requires common economic institutions and coordination of economic policies among members.	International Trade and Capital Flows
502	<b>Economies of scale</b>	Reduction in cost per unit resulting from increased production.	Topics in Supply and Demand Analysis
503	<b>Effective annual rate</b>	The amount by which a unit of currency will grow in a year with interest on interest included.	Introduction to Fixed-Income Valuation
504	<b>Effective annual rate</b>	The amount by which a unit of currency will grow in a year with interest on interest included.	The Time Value of Money
505	<b>Effective convexity</b>	A curve convexity statistic that measures the secondary effect of a change in a benchmark yield curve on a bond's price.	Understanding Fixed-Income Risk and Return
506	<b>Effective duration</b>	The sensitivity of a bond's price to a change in a benchmark yield curve.	Understanding Fixed-Income Risk and Return
507	<b>Effective interest rate</b>	The borrowing rate or market rate that a company incurs at the time of issuance of a bond.	Non-Current (Long-Term) Liabilities
508	<b>Efficient market</b>	A market in which asset prices reflect new information quickly and rationally.	Portfolio Risk and Return: Part I
509	<b>Efficient market</b>	A market in which asset prices reflect new information quickly and rationally.	Market Efficiency
510	<b>Elasticity of demand</b>	A measure of the sensitivity of quantity demanded to a change in a product's own price: $\% \Delta Q^D / \% \Delta P$ .	Topics in Supply and Demand Analysis
511	<b>Elasticity of supply</b>	A measure of the sensitivity of quantity supplied to a change in price: $\% \Delta Q^S / \% \Delta P$ .	Topics in Supply and Demand Analysis
512	<b>Elasticity</b>	The percentage change in one variable for a percentage change in another variable; a general measure of how sensitive one variable is to a change in the value of another variable.	Topics in Supply and Demand Analysis
513	<b>Elasticity</b>	The percentage change in one variable for a percentage change in another variable; a general measure of how sensitive one variable is to a change in the value of another variable.	Measures of Leverage
514	<b>Elastic</b>	Said of a good or service when the magnitude of elasticity is greater than one.	Topics in Supply and Demand Analysis
515	<b>Electronic communications networks</b>	Trading venues that function like exchanges but that do not exercise regulatory authority over their subscribers except with respect to the conduct of the subscribers' trading in their trading systems.	Market Organization and Structure
516	<b>Electronic funds transfer (EFT)</b>	The use of computer networks to conduct financial transactions electronically.	Working Capital Management
517	<b>Elliott wave theory</b>	A technical analysis theory that claims that the market follows regular, repeated waves or cycles.	Technical Analysis
518	<b>Embedded option</b>	Contingency provisions that provide the issuer or the bondholders the right, but not the obligation, to take action. These options are not part of the security and cannot be traded separately.	Introduction to Fixed-Income Valuation
519	<b>Embedded option</b>	Contingency provisions that provide the issuer or the bondholders the right, but not the obligation, to take action. These options are not part of the security and cannot be traded separately.	Fixed-Income Securities: Defining Elements
520	<b>Empirical probability</b>	The probability of an event estimated as a relative frequency of occurrence.	Probability Concepts
521	<b>Employed</b>	The number of people with a job.	Understanding Business Cycles
522	<b>Engagement/active ownership</b>	An ESG investment style that uses shareholder power to influence corporate behavior through direct corporate engagement (i.e., communicating with	Introduction to Corporate Governance and

		senior management and/or boards of companies), filing or co-filing shareholder proposals, and proxy voting that is directed by ESG guidelines.	Other ESG Considerations
523	<b>Enterprise risk management</b>	An overall assessment of a company’s risk position. A centralized approach to risk management sometimes called firmwide risk management.	Introduction to Risk Management
524	<b>Enterprise value</b>	A measure of a company’s total market value from which the value of cash and short-term investments have been subtracted.	Equity Valuation: Concepts and Basic Tools
525	<b>Equal weighting</b>	An index weighting method in which an equal weight is assigned to each constituent security at inception.	Security Market Indexes
526	<b>Equipment trust certificates</b>	Bonds secured by specific types of equipment or physical assets.	Fixed-Income Securities: Defining Elements
527	<b>Equity</b>	Assets less liabilities; the residual interest in the assets after subtracting the liabilities.	Financial Reporting Standards
528	<b>Equity</b>	Assets less liabilities; the residual interest in the assets after subtracting the liabilities.	Understanding Balance Sheets
529	<b>Equity</b>	Assets less liabilities; the residual interest in the assets after subtracting the liabilities.	Introduction to Financial Statement Analysis
530	<b>Equity risk premium</b>	The expected return on equities minus the risk-free rate; the premium that investors demand for investing in equities.	Cost of Capital
531	<b>Equity swap</b>	A swap transaction in which at least one cash flow is tied to the return to an equity portfolio position, often an equity index.	Market Organization and Structure
532	<b>ESG integration</b>	The integration of qualitative and quantitative environmental, social, and governance factors into traditional security and industry analysis.	Basics of Portfolio Planning and Construction
533	<b>ESG investing</b>	The consideration of environmental, social, and governance factors in the investment process.	Introduction to Corporate Governance and Other ESG Considerations
534	<b>ESG</b>	An acronym that encompasses environmental, social and governance.	Introduction to Corporate Governance and Other ESG Considerations
535	<b>Estimate</b>	The particular value calculated from sample observations using an estimator.	Sampling and Estimation
536	<b>Estimation</b>	With reference to statistical inference, the subdivision dealing with estimating the value of a population parameter.	Hypothesis Testing
537	<b>Estimator</b>	An estimation formula; the formula used to compute the sample mean and other sample statistics are examples of estimators.	Sampling and Estimation
538	<b>Ethical principles</b>	Beliefs regarding what is good, acceptable, or obligatory behavior and what is bad, unacceptable, or forbidden behavior.	Ethics and Trust in the Investment Profession
539	<b>Ethics</b>	The study of moral principles or of making good choices. Ethics encompasses a set of moral principles and rules of conduct that provide guidance for our behavior.	Ethics and Trust in the Investment Profession
540	<b>Eurobonds</b>	Type of bond issued internationally, outside the jurisdiction of the country in whose currency the bond is denominated.	Fixed-Income Securities: Defining Elements
541	<b>European option</b>	An option that can only be exercised on its expiration date.	Common Probability Distributions
542	<b>European-style</b>	Said of an option contract that can only be exercised on the option’s expiration date.	Derivative Markets and Instruments
543	<b>European-style</b>	Said of an option contract that can only be exercised on the option’s expiration date.	Market Organization and Structure
544	<b>European-style</b>	Said of an option contract that can only be exercised on the option’s expiration date.	Common Probability Distributions
545	<b>Event</b>	Any outcome or specified set of outcomes of a random variable.	Probability Concepts
546	<b>Excess kurtosis</b>	Degree of kurtosis (fatness of tails) in excess of the kurtosis of the normal distribution.	Statistical Concepts and Market Returns
547	<b>Exchanges</b>	Places where traders can meet to arrange their trades.	Market Organization and Structure
548	<b>Exclusionary screening</b>	An ESG implementation approach that excludes certain sectors or companies that deviate from an investor’s accepted standards.	Basics of Portfolio Planning and Construction
549	<b>Ex-dividend date</b>	The first date that a share trades without (i.e., “ex”) the dividend.	Equity Valuation: Concepts and Basic Tools
550	<b>Execution instructions</b>	Instructions that indicate how to fill an order.	Market Organization and Structure

551	<b>Exercise</b>	The process of using an option to buy or sell the underlying.	Market Organization and Structure
552	<b>Exercise price</b>	The fixed price at which an option holder can buy or sell the underlying.	Derivative Markets and Instruments
553	<b>Exercise price</b>	The fixed price at which an option holder can buy or sell the underlying.	Market Organization and Structure
554	<b>Exercise value</b>	The value obtained if an option is exercised based on current conditions.	Basics of Derivative Pricing and Valuation
555	<b>Exhaustive</b>	Covering or containing all possible outcomes.	Probability Concepts
556	<b>Expansionary fiscal policy</b>	Fiscal policy aimed at achieving real economic growth.	Monetary and Fiscal Policy
557	<b>Expansionary</b>	Tending to cause the real economy to grow.	Monetary and Fiscal Policy
558	<b>Expansion</b>	The period of a business cycle after its lowest point and before its highest point.	Understanding Business Cycles
559	<b>Expected inflation</b>	The level of inflation that economic agents expect in the future.	Monetary and Fiscal Policy
560	<b>Expected loss</b>	Default probability times Loss severity given default.	Fundamentals of Credit Analysis
561	<b>Expected value</b>	The probability-weighted average of the possible outcomes of a random variable.	Probability Concepts
562	<b>Expected value</b>	The probability-weighted average of the possible outcomes of a random variable.	Statistical Concepts and Market Returns
563	<b>Expenses</b>	Outflows of economic resources or increases in liabilities that result in decreases in equity (other than decreases because of distributions to owners); reductions in net assets associated with the creation of revenues.	Introduction to Financial Statement Analysis
564	<b>Expenses</b>	Outflows of economic resources or increases in liabilities that result in decreases in equity (other than decreases because of distributions to owners); reductions in net assets associated with the creation of revenues.	Financial Reporting Standards
565	<b>Expenses</b>	Outflows of economic resources or increases in liabilities that result in decreases in equity (other than decreases because of distributions to owners); reductions in net assets associated with the creation of revenues.	Understanding Income Statements
566	<b>Experience curve</b>	A curve that shows the direct cost per unit of good or service produced or delivered as a typically declining function of cumulative output.	Introduction to Industry and Company Analysis
567	<b>Exports</b>	Goods and services that an economy sells to other countries.	International Trade and Capital Flows
568	<b>Export subsidy</b>	Paid by the government to the firm when it exports a unit of a good that is being subsidized.	International Trade and Capital Flows
569	<b>Extension risk</b>	The risk that when interest rates rise, fewer prepayments will occur because homeowners are reluctant to give up the benefits of a contractual interest rate that now looks low. As a result, the security becomes longer in maturity than anticipated at the time of purchase.	Introduction to Asset-Backed Securities
570	<b>Externality</b>	An effect of a market transaction that is borne by parties other than those who transacted.	Capital Budgeting
571	<b>Extra dividend</b>	A dividend paid by a company that does not pay dividends on a regular schedule, or a dividend that supplements regular cash dividends with an extra payment.	Equity Valuation: Concepts and Basic Tools
572	<b>Extreme value theory</b>	A branch of statistics that focuses primarily on extreme outcomes.	Introduction to Risk Management
573	<b>Face value</b>	The amount of cash payable by a company to the bondholders when the bonds mature; the promised payment at maturity separate from any coupon payment.	Probability Concepts
574	<b>Face value</b>	The amount of cash payable by a company to the bondholders when the bonds mature; the promised payment at maturity separate from any coupon payment.	Non-Current (Long-Term) Liabilities
575	<b>Factor</b>	A common or underlying element with which several variables are correlated.	Working Capital Management
576	<b>Fair value</b>	The amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction; the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.	Understanding Balance Sheets
577	<b>Fair value</b>	The amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction; the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.	Financial Reporting Standards

578	<b>Federal funds rate</b>	The US interbank lending rate on overnight borrowings of reserves.	Monetary and Fiscal Policy
579	<b>Fed funds rate</b>	The US interbank lending rate on overnight borrowings of reserves.	Monetary and Fiscal Policy
580	<b>Fiat money</b>	Money that is not convertible into any other commodity.	Monetary and Fiscal Policy
581	<b>Fibonacci sequence</b>	A sequence of numbers starting with 0 and 1, and then each subsequent number in the sequence is the sum of the two preceding numbers. In Elliott Wave Theory, it is believed that market waves follow patterns that are the ratios of the numbers in the Fibonacci sequence.	Technical Analysis
582	<b>Fiduciary call</b>	A combination of a European call and a risk-free bond that matures on the option expiration day and has a face value equal to the exercise price of the call.	Basics of Derivative Pricing and Valuation
583	<b>FIFO method</b>	The first in, first out, method of accounting for inventory, which matches sales against the costs of items of inventory in the order in which they were placed in inventory.	Understanding Income Statements
584	<b>Fill or kill</b>	An order that is valid only upon receipt by the broker or exchange. If such an order cannot be filled in part or in whole upon receipt, it cancels immediately.	Market Organization and Structure
585	<b>Finance lease</b>	From the lessee perspective, under US GAAP, a type of lease which is more akin to the purchase of an asset by the lessee. From the lessor perspective, under IFRS, a lease which “transfers substantially all the risks and rewards incidental to ownership of an underlying asset.”	Cost of Capital
586	<b>Finance lease</b>	From the lessee perspective, under US GAAP, a type of lease which is more akin to the purchase of an asset by the lessee. From the lessor perspective, under IFRS, a lease which “transfers substantially all the risks and rewards incidental to ownership of an underlying asset.”	Long-Lived Assets
587	<b>Finance lease</b>	From the lessee perspective, under US GAAP, a type of lease which is more akin to the purchase of an asset by the lessee. From the lessor perspective, under IFRS, a lease which “transfers substantially all the risks and rewards incidental to ownership of an underlying asset.”	Non-Current (Long-Term) Liabilities
588	<b>Financial account</b>	A component of the balance of payments account that records investment flows.	International Trade and Capital Flows
589	<b>Financial flexibility</b>	The ability to react and adapt to financial adversity and opportunities.	Introduction to Financial Statement Analysis
590	<b>Financial leverage</b>	The extent to which a company can effect, through the use of debt, a proportional change in the return on common equity that is greater than a given proportional change in operating income; also, short for the financial leverage ratio.	Financial Analysis Techniques
591	<b>Financial leverage</b>	The extent to which a company can effect, through the use of debt, a proportional change in the return on common equity that is greater than a given proportional change in operating income; also, short for the financial leverage ratio.	Market Organization and Structure
592	<b>Financial leverage ratio</b>	A measure of financial leverage calculated as average total assets divided by average total equity.	Financial Analysis Techniques
593	<b>Financial risk</b>	The risk that environmental, social, or governance risk factors will result in significant costs or other losses to a company and its shareholders; the risk arising from a company’s obligation to meet required payments under its financing agreements.	Cost of Capital
594	<b>Financial risk</b>	The risk that environmental, social, or governance risk factors will result in significant costs or other losses to a company and its shareholders; the risk arising from a company’s obligation to meet required payments under its financing agreements.	Introduction to Risk Management
595	<b>Financial risk</b>	The risk that environmental, social, or governance risk factors will result in significant costs or other losses to a company and its shareholders; the risk arising from a company’s obligation to meet required payments under its financing agreements.	Measures of Leverage
596	<b>Financial risk</b>	The risk that environmental, social, or governance risk factors will result in significant costs or other losses to a company and its shareholders; the risk arising from a company’s obligation to meet required payments under its financing agreements.	Common Probability Distributions
597	<b>Financing activities</b>	Activities related to obtaining or repaying capital to be used in the business (e.g., equity and long-term debt).	Understanding Cash Flow Statements
598	<b>Financing activities</b>	Activities related to obtaining or repaying capital to be used in the business (e.g., equity and long-term debt).	Introduction to Financial Statement Analysis
599	<b>Fintech</b>	Technological innovation in the design and delivery of financial services and products in the financial industry.	Fintech in Investment Management
600	<b>Firm commitment offering</b>	A type of securities issue mechanism in which the investment bank guarantees the sale of the securities at an offering price that is negotiated with the issuer.	Fixed-Income Markets: Issuance, Trading, and Funding
601	<b>First-degree price discrimination</b>	Where a monopolist is able to charge each customer the highest price the customer is willing to pay.	The Firm and Market Structures
602	<b>First lien debt</b>	Debt secured by a pledge of certain assets that could include buildings, but may also include property and equipment, licenses, patents, brands, etc.	Fundamentals of Credit Analysis

603	<b>First mortgage debt</b>	Debt secured by a pledge of a specific property.	Fundamentals of Credit Analysis
604	<b>Fiscal multiplier</b>	The ratio of a change in national income to a change in government spending.	Monetary and Fiscal Policy
605	<b>Fiscal policy</b>	The use of taxes and government spending to affect the level of aggregate expenditures.	Aggregate Output, Prices, and Economic Growth
606	<b>Fiscal policy</b>	The use of taxes and government spending to affect the level of aggregate expenditures.	Monetary and Fiscal Policy
607	<b>Fisher effect</b>	The thesis that the real rate of interest in an economy is stable over time so that changes in nominal interest rates are the result of changes in expected inflation.	Monetary and Fiscal Policy
608	<b>Fisher index</b>	The geometric mean of the Laspeyres index.	Understanding Business Cycles
609	<b>Fixed charge coverage</b>	A solvency ratio measuring the number of times interest and lease payments are covered by operating income, calculated as (EBIT + lease payments) divided by (interest payments + lease payments).	Financial Analysis Techniques
610	<b>Fixed costs</b>	Costs that remain at the same level regardless of a company's level of production and sales.	Financial Analysis Techniques
611	<b>Fixed costs</b>	Costs that remain at the same level regardless of a company's level of production and sales.	Measures of Leverage
612	<b>Fixed-for-floating interest rate swap</b>	An interest rate swap in which one party pays a fixed rate and the other pays a floating rate, with both sets of payments in the same currency.	Derivative Markets and Instruments
613	<b>Fixed rate perpetual preferred stock</b>	Nonconvertible, noncallable preferred stock that has a fixed dividend rate and no maturity date.	Cost of Capital
614	<b>Flags</b>	A technical analysis continuation pattern formed by parallel trendlines, typically over a short period.	Technical Analysis
615	<b>Flat price</b>	The full price of a bond minus the accrued interest.	Introduction to Fixed-Income Valuation
616	<b>Float-adjusted market-capitalization weighting</b>	An index weighting method in which the weight assigned to each constituent security is determined by adjusting its market capitalization for its market float.	Security Market Indexes
617	<b>Floaters</b>	A note on which interest payments are not fixed, but instead vary from period to period depending on the current level of a reference interest rate.	Fixed-Income Securities: Defining Elements
618	<b>Float factor</b>	An estimate of the average number of days it takes deposited checks to clear; average daily float divided by average daily deposit.	Working Capital Management
619	<b>Floating-rate notes</b>	A note on which interest payments are not fixed, but instead vary from period to period depending on the current level of a reference interest rate.	Introduction to Fixed-Income Valuation
620	<b>Floating-rate notes</b>	A note on which interest payments are not fixed, but instead vary from period to period depending on the current level of a reference interest rate.	Fixed-Income Securities: Defining Elements
621	<b>Float</b>	In the context of customer receipts, the amount of money that is in transit between payments made by customers and the funds that are usable by the company.	Working Capital Management
622	<b>Flotation cost</b>	Fees charged to companies by investment bankers and other costs associated with raising new capital.	Cost of Capital
623	<b>Foreclosure</b>	Allows the lender to take possession of a mortgaged property if the borrower defaults and then sell it to recover funds.	Introduction to Asset-Backed Securities
624	<b>Foreign currency reserves</b>	Holding by the central bank of non-domestic currency deposits and non-domestic bonds.	Monetary and Fiscal Policy
625	<b>Foreign direct investment</b>	Direct investment by a firm in one country (the source country) in productive assets in a foreign country (the host country).	International Trade and Capital Flows
626	<b>Foreign exchange gains (or losses)</b>	Gains (or losses) that occur when the exchange rate changes between the investor's currency and the currency that foreign securities are denominated in.	Overview of Equity Securities
627	<b>Foreign portfolio investment</b>	Shorter-term investment by individuals, firms, and institutional investors (e.g., pension funds) in foreign financial instruments such as foreign stocks and foreign government bonds.	International Trade and Capital Flows
628	<b>Forward commitments</b>	Class of derivatives that provides the ability to lock in a price to transact in the future at a previously agreed-upon price.	Derivative Markets and Instruments
629	<b>Forward contract</b>	An agreement between two parties in which one party, the buyer, agrees to buy from the other party, the seller, an underlying asset at a later date for a price established at the start of the contract.	Basics of Derivative Pricing and Valuation



630	<b>Forward contract</b>	An agreement between two parties in which one party, the buyer, agrees to buy from the other party, the seller, an underlying asset at a later date for a price established at the start of the contract.	Market Organization and Structure
631	<b>Forward curve</b>	A series of forward rates, each having the same timeframe.	Introduction to Fixed-Income Valuation
632	<b>Forward market</b>	For future delivery, beyond the usual settlement time period in the cash market.	Introduction to Fixed-Income Valuation
633	<b>Forward price</b>	The fixed price or rate at which the transaction scheduled to occur at the expiration of a forward contract will take place. This price is agreed on at the initiation date of the contract.	Derivative Markets and Instruments
634	<b>Forward rate agreements</b>	A forward contract calling for one party to make a fixed interest payment and the other to make an interest payment at a rate to be determined at the contract expiration.	Basics of Derivative Pricing and Valuation
635	<b>Forward rate</b>	The interest rate on a bond or money market instrument traded in a forward market. A forward rate can be interpreted as an incremental, or marginal, return for extending the time-to-maturity for an additional time period.	Introduction to Fixed-Income Valuation
636	<b>Fractile</b>	A value at or below which a stated fraction of the data lies.	Statistical Concepts and Market Returns
637	<b>Fractional reserve banking</b>	Banking in which reserves constitute a fraction of deposits.	Monetary and Fiscal Policy
638	<b>Free cash flow</b>	The actual cash that would be available to the company's investors after making all investments necessary to maintain the company as an ongoing enterprise (also referred to as free cash flow to the firm); the internally generated funds that can be distributed to the company's investors (e.g., shareholders and bondholders) without impairing the value of the company.	Understanding Cash Flow Statements
639	<b>Free cash flow to equity (FCFE)</b>	The cash flow available to a company's common shareholders after all operating expenses, interest, and principal payments have been made, and necessary investments in working and fixed capital have been made.	Cost of Capital
640	<b>Free-cash-flow-to-equity models</b>	Valuation models based on discounting expected future free cash flow to equity.	Equity Valuation: Concepts and Basic Tools
641	<b>Free cash flow to the firm (FCFF)</b>	The cash flow available to the company's suppliers of capital after all operating expenses have been paid and necessary investments in working capital and fixed capital have been made.	Cost of Capital
642	<b>Free float</b>	The number of shares that are readily and freely tradable in the secondary market.	Overview of Equity Securities
643	<b>Free trade areas</b>	One of the most prevalent forms of regional integration, in which all barriers to the flow of goods and services among members have been eliminated.	International Trade and Capital Flows
644	<b>Free trade</b>	When there are no government restrictions on a country's ability to trade.	International Trade and Capital Flows
645	<b>Frequency distribution</b>	A tabular display of data summarized into a relatively small number of intervals.	Statistical Concepts and Market Returns
646	<b>Frequency polygon</b>	A graph of a frequency distribution obtained by drawing straight lines joining successive points representing the class frequencies.	Statistical Concepts and Market Returns
647	<b>Full integration</b>	An ESG investment style that focuses on the explicit inclusion of ESG factors into the traditional financial analysis of individual stocks for the purpose of valuation (e.g., as inputs into cash flow forecasts and/or cost-of-capital estimates).	Introduction to Corporate Governance and Other ESG Considerations
648	<b>Full price</b>	The price of a security with accrued interest.	Introduction to Fixed-Income Valuation
649	<b>Fundamental analysis</b>	The examination of publicly available information and the formulation of forecasts to estimate the intrinsic value of assets.	Market Efficiency
650	<b>Fundamental value</b>	The underlying or true value of an asset based on an analysis of its qualitative and quantitative characteristics.	Equity Valuation: Concepts and Basic Tools
651	<b>Fundamental value</b>	The underlying or true value of an asset based on an analysis of its qualitative and quantitative characteristics.	Market Efficiency
652	<b>Fundamental weighting</b>	An index weighting method in which the weight assigned to each constituent security is based on its underlying company's size. It attempts to address the disadvantages of market-capitalization weighting by using measures that are independent of the constituent security's price.	Security Market Indexes
653	<b>Funds of hedge funds</b>	Funds that hold a portfolio of hedge funds, more commonly shortened to funds of funds.	Introduction to Alternative Investments
654	<b>Futures contract</b>	A variation of a forward contract that has essentially the same basic definition but with some additional features, such as a clearinghouse guarantee against credit losses, a daily settlement of gains and losses, and an organized electronic or floor trading facility.	Market Organization and Structure
655	<b>Futures contract</b>	A variation of a forward contract that has essentially the same basic definition but with some additional features, such as a clearinghouse guarantee against credit losses, a daily settlement of gains and losses, and an organized electronic or floor trading facility.	Basics of Derivative Pricing and Valuation

656	<b>Futures price</b>	The agreed-upon price of a futures contract.	Derivative Markets and Instruments
657	<b>Future value (FV)</b>	The amount to which a payment or series of payments will grow by a stated future date.	The Time Value of Money
658	<b>FX swap</b>	The combination of a spot and a forward FX transaction.	Currency Exchange Rates
659	<b>Gains</b>	Asset inflows not directly related to the ordinary activities of the business.	Understanding Income Statements
660	<b>Game theory</b>	The set of tools decision makers use to incorporate responses by rival decision makers into their strategies.	The Firm and Market Structures
661	<b>Gamma</b>	A numerical measure of how sensitive an option's delta (the sensitivity of the derivative's price) is to a change in the value of the underlying.	Introduction to Risk Management
662	<b>GDP deflator</b>	A gauge of prices and inflation that measures the aggregate changes in prices across the overall economy.	Aggregate Output, Prices, and Economic Growth
663	<b>General partner</b>	The partner that runs the business and ultimately bears unlimited liability for the business's debts and obligations.	Introduction to Alternative Investments
664	<b>Geometric mean</b>	A measure of central tendency computed by taking the $n$ th root of the product of $n$ non-negative values.	Statistical Concepts and Market Returns
665	<b>Giffen goods</b>	Goods that are consumed more as the price of the good rises because it is a very inferior good whose income effect overwhelms its substitution effect when price changes.	Topics in Supply and Demand Analysis
666	<b>Gilts</b>	Bonds issued by the UK government.	Monetary and Fiscal Policy
667	<b>Giro system</b>	An electronic payment system used widely in Europe and Japan.	Working Capital Management
668	<b>Global depository receipt</b>	A depository receipt that is issued outside of the company's home country and outside of the United States.	Overview of Equity Securities
669	<b>Global minimum-variance portfolio</b>	The portfolio on the minimum-variance frontier with the smallest variance of return.	Portfolio Risk and Return: Part I
670	<b>Global registered share</b>	A common share that is traded on different stock exchanges around the world in different currencies.	Overview of Equity Securities
671	<b>Golden cross</b>	A technical analysis term that describes a situation where a short-term moving average crosses from below a longer-term moving average to above it; this movement is considered bullish.	Technical Analysis
672	<b>Gold standard</b>	With respect to a currency, if a currency is on the gold standard a given amount can be converted into a prespecified amount of gold.	Monetary and Fiscal Policy
673	<b>Good-on-close</b>	An execution instruction specifying that an order can only be filled at the close of trading.	Market Organization and Structure
674	<b>Good-on-open</b>	An execution instruction specifying that an order can only be filled at the opening of trading.	Market Organization and Structure
675	<b>Good-till-cancelled order</b>	An order specifying that it is valid until the entity placing the order has cancelled it (or, commonly, until some specified amount of time such as 60 days has elapsed, whichever comes sooner).	Market Organization and Structure
676	<b>Goodwill</b>	An intangible asset that represents the excess of the purchase price of an acquired company over the value of the net assets acquired.	Understanding Income Statements
677	<b>Goodwill</b>	An intangible asset that represents the excess of the purchase price of an acquired company over the value of the net assets acquired.	Understanding Balance Sheets
678	<b>Government equivalent yield</b>	A yield that restates a yield-to-maturity based on 30/360 day-count to one based on actual/actual.	Introduction to Fixed-Income Valuation
679	<b>Green bonds</b>	A bond used in green finance whereby the proceeds are earmarked towards environmental-related products.	Introduction to Corporate Governance and Other ESG Considerations
680	<b>Green finance</b>	A type of finance that addresses environmental concerns while achieving economic growth.	Introduction to Corporate Governance and Other ESG Considerations
681	<b>Grey market</b>	The forward market for bonds about to be issued.	Fixed-Income Markets: Issuance, Trading, and Funding
682	<b>Gross domestic product</b>	The market value of all final goods and services produced within the economy in a given period of time (output definition) or, equivalently, the aggregate income earned by all households, all companies, and the government within the economy in a given period of time (income definition).	Aggregate Output, Prices, and Economic

			Growth
683	<b>Gross margin</b>	Sales minus the cost of sales (i.e., the cost of goods sold for a manufacturing company).	Understanding Income Statements
684	<b>Gross profit margin</b>	The ratio of gross profit to revenues.	Financial Analysis Techniques
685	<b>Gross profit margin</b>	The ratio of gross profit to revenues.	Inventories
686	<b>Gross profit margin</b>	The ratio of gross profit to revenues.	Understanding Income Statements
687	<b>Gross profit</b>	Sales minus the cost of sales (i.e., the cost of goods sold for a manufacturing company).	Understanding Income Statements
688	<b>Grouping by function</b>	With reference to the presentation of expenses in an income statement, the grouping together of expenses serving the same function, e.g. all items that are costs of goods sold.	Understanding Income Statements
689	<b>Grouping by nature</b>	With reference to the presentation of expenses in an income statement, the grouping together of expenses by similar nature, e.g., all depreciation expenses.	Understanding Income Statements
690	<b>Growth cyclical</b>	A term sometimes used to describe companies that are growing rapidly on a long-term basis but that still experience above-average fluctuation in their revenues and profits over the course of a business cycle.	Introduction to Industry and Company Analysis
691	<b>Growth investors</b>	With reference to equity investors, investors who seek to invest in high-earnings-growth companies.	Applications of Financial Statement Analysis
692	<b>G-spread</b>	The yield spread in basis points over an actual or interpolated government bond.	Introduction to Fixed-Income Valuation
693	<b>Guarantee certificate</b>	A type of structured financial instrument that provides investors capital protection. It combines a zero-coupon bond and a call option on some underlying asset.	Fixed-Income Markets: Issuance, Trading, and Funding
694	<b>Haircut</b>	The difference between the market value of the security used as collateral and the value of the loan.	Fixed-Income Markets: Issuance, Trading, and Funding
695	<b>Harmonic mean</b>	A type of weighted mean computed by averaging the reciprocals of the observations, then taking the reciprocal of that average.	Statistical Concepts and Market Returns
696	<b>Head and shoulders pattern</b>	In technical analysis, a reversal pattern that is formed in three parts: a left shoulder, head, and right shoulder; used to predict a change from an uptrend to a downtrend.	Technical Analysis
697	<b>Headline inflation</b>	The inflation rate calculated based on the price index that includes all goods and services in an economy.	Understanding Business Cycles
698	<b>Hedge funds</b>	Private investment vehicles that typically use leverage, derivatives, and long and short investment strategies.	Portfolio Management: An Overview
699	<b>Hedge funds</b>	Private investment vehicles that typically use leverage, derivatives, and long and short investment strategies.	Market Organization and Structure
700	<b>Hedge funds</b>	Private investment vehicles that typically use leverage, derivatives, and long and short investment strategies.	Security Market Indexes
701	<b>Hedge portfolio</b>	A hypothetical combination of the derivative and its underlying that eliminates risk.	Derivative Markets and Instruments
702	<b>Held-to-maturity</b>	Debt (fixed-income) securities that a company intends to hold to maturity; these are presented at their original cost, updated for any amortisation of discounts or premiums.	Understanding Balance Sheets
703	<b>Herding</b>	Clustered trading that may or may not be based on information.	Market Efficiency
704	<b>Hidden order</b>	An order that is exposed not to the public but only to the brokers or exchanges that receive it.	Market Organization and Structure
705	<b>High-frequency trading</b>	A form of algorithmic trading that makes use of vast quantities of data to execute trades on ultra-high-speed networks in fractions of a second.	Fintech in Investment Management
706	<b>High-water mark</b>	The highest value, net of fees, that a fund has reached in history. It reflects the highest cumulative return used to calculate an incentive fee.	Introduction to Alternative Investments
707	<b>Histogram</b>	A bar chart of data that have been grouped into a frequency distribution.	Statistical Concepts and Market Returns
708	<b>Historical cost</b>	In reference to assets, the amount paid to purchase an asset, including any costs of acquisition and/or preparation; with reference to liabilities, the amount of proceeds received in exchange in issuing the liability.	Financial Reporting Standards

709	<b>Historical equity risk premium approach</b>	An estimate of a country's equity risk premium that is based upon the historical averages of the risk-free rate and the rate of return on the market portfolio.	Cost of Capital
710	<b>Historical simulation</b>	Another term for the historical method of estimating VaR. This term is somewhat misleading in that the method involves not a simulation of the past but rather what actually happened in the past, sometimes adjusted to reflect the fact that a different portfolio may have existed in the past than is planned for the future.	Common Probability Distributions
711	<b>Holder-of-record date</b>	The date that a shareholder listed on the corporation's books will be deemed to have ownership of the shares for purposes of receiving an upcoming dividend.	Equity Valuation: Concepts and Basic Tools
712	<b>Holding period return</b>	The return that an investor earns during a specified holding period; a synonym for total return.	Portfolio Risk and Return: Part I
713	<b>Homogeneity of expectations</b>	The assumption that all investors have the same economic expectations and thus have the same expectations of prices, cash flows, and other investment characteristics.	Portfolio Risk and Return: Part II
714	<b>Horizontal analysis</b>	Common-size analysis that involves comparing a specific financial statement with that statement in prior or future time periods; also, cross-sectional analysis of one company with another.	Financial Analysis Techniques
715	<b>Horizontal demand schedule</b>	Implies that at a given price, the response in the quantity demanded is infinite.	The Firm and Market Structures
716	<b>Horizon yield</b>	The internal rate of return between the total return (the sum of reinvested coupon payments and the sale price or redemption amount) and the purchase price of the bond.	Understanding Fixed-Income Risk and Return
717	<b>Hostile takeover</b>	An attempt by one entity to acquire a company without the consent of the company's management.	Introduction to Corporate Governance and Other ESG Considerations
718	<b>Household</b>	A person or a group of people living in the same residence, taken as a basic unit in economic analysis.	Monetary and Fiscal Policy
719	<b>Human capital</b>	The accumulated knowledge and skill that workers acquire from education, training, or life experience and the corresponding present value of future earnings to be generated by said skilled individual.	Introduction to Risk Management
720	<b>Hurdle rate</b>	The rate of return that must be met for a project to be accepted.	Capital Budgeting
721	<b>Hypothesis</b>	With reference to statistical inference, a statement about one or more populations.	Hypothesis Testing
722	<b>Hypothesis testing</b>	With reference to statistical inference, the subdivision dealing with the testing of hypotheses about one or more populations.	Hypothesis Testing
723	<b>Iceberg order</b>	An order in which the display size is less than the order's full size.	Market Organization and Structure
724	<b>If-converted method</b>	A method for accounting for the effect of convertible securities on earnings per share (EPS) that specifies what EPS would have been if the convertible securities had been converted at the beginning of the period, taking account of the effects of conversion on net income and the weighted average number of shares outstanding.	Understanding Income Statements
725	<b>Immediate or cancel order</b>	An order that is valid only upon receipt by the broker or exchange. If such an order cannot be filled in part or in whole upon receipt, it cancels immediately.	Market Organization and Structure
726	<b>Impact lag</b>	The lag associated with the result of actions affecting the economy with delay.	Monetary and Fiscal Policy
727	<b>Implicit price deflator for GDP</b>	A gauge of prices and inflation that measures the aggregate changes in prices across the overall economy.	Aggregate Output, Prices, and Economic Growth
728	<b>Implied forward rates</b>	Calculated from spot rates, an implied forward rate is a break-even reinvestment rate that links the return on an investment in a shorter-term zero-coupon bond to the return on an investment in a longer-term zero-coupon bond.	Introduction to Fixed-Income Valuation
729	<b>Implied volatility</b>	The volatility that option traders use to price an option, implied by the price of the option and a particular option-pricing model.	Derivative Markets and Instruments
730	<b>Import license</b>	Specifies the quantity of a good that can be imported into a country.	International Trade and Capital Flows
731	<b>Imports</b>	Goods and services that a domestic economy (i.e., house-holds, firms, and government) purchases from other countries.	International Trade and Capital Flows
732	<b>Incentive fee</b>	Fees paid to the general partner from the limited partner(s) based on realized net profits.	Introduction to Alternative Investments
733	<b>Income elasticity of demand</b>	A measure of the responsiveness of demand to changes in income, defined as the percentage change in quantity demanded divided by the percentage change in income.	The Firm and Market Structures

734	<b>Income</b>	Increases in economic benefits in the form of inflows or enhancements of assets, or decreases of liabilities that result in an increase in equity (other than increases resulting from contributions by owners).	Financial Reporting Standards
735	<b>Income</b>	Increases in economic benefits in the form of inflows or enhancements of assets, or decreases of liabilities that result in an increase in equity (other than increases resulting from contributions by owners).	Understanding Income Statements
736	<b>Income tax paid</b>	The actual amount paid for income taxes in the period; not a provision, but the actual cash outflow.	Income Taxes
737	<b>Income tax payable</b>	The income tax owed by the company on the basis of taxable income.	Understanding Balance Sheets
738	<b>Income tax payable</b>	The income tax owed by the company on the basis of taxable income.	Income Taxes
739	<b>Income trust</b>	A type of equity ownership vehicle established as a trust issuing ownership shares known as units.	Introduction to Industry and Company Analysis
740	<b>Increasing marginal returns</b>	When the marginal product of a resource increases as additional units of that input are employed.	Topics in Supply and Demand Analysis
741	<b>Increasing returns to scale</b>	When a production process leads to increases in output that are proportionately larger than the increase in inputs.	Topics in Supply and Demand Analysis
742	<b>Incremental cash flow</b>	The cash flow that is realized because of a decision; the changes or increments to cash flows resulting from a decision or action.	Capital Budgeting
743	<b>Indenture</b>	Legal contract that describes the form of a bond, the obligations of the issuer, and the rights of the bondholders.	Introduction to Corporate Governance and Other ESG Considerations
744	<b>Indenture</b>	Legal contract that describes the form of a bond, the obligations of the issuer, and the rights of the bondholders.	Fixed-Income Securities: Defining Elements
745	<b>Independently and identically distributed (IID)</b>	With respect to random variables, the property of random variables that are independent of each other but follow the identical probability distribution.	Common Probability Distributions
746	<b>Independent</b>	With reference to events, the property that the occurrence of one event does not affect the probability of another event occurring.	Probability Concepts
747	<b>Independent projects</b>	Independent projects are projects whose cash flows are independent of each other.	Capital Budgeting
748	<b>Indexing</b>	An investment strategy in which an investor constructs a portfolio to mirror the performance of a specified index.	Sampling and Estimation
749	<b>Index-linked bond</b>	Bond for which coupon payments and/or principal repayment are linked to a specified index.	Fixed-Income Securities: Defining Elements
750	<b>Index of Leading Economic Indicators</b>	A composite of economic variables used by analysts to predict future economic conditions.	Understanding Business Cycles
751	<b>Indifference curve</b>	A curve representing all the combinations of two goods or attributes such that the consumer is entirely indifferent among them.	Portfolio Risk and Return: Part I
752	<b>Indirect format</b>	With reference to cash flow statements, a format for the presentation of the statement which, in the operating cash flow section, begins with net income then shows additions and subtractions to arrive at operating cash flow.	Understanding Cash Flow Statements
753	<b>Indirect method</b>	With reference to cash flow statements, a format for the presentation of the statement which, in the operating cash flow section, begins with net income then shows additions and subtractions to arrive at operating cash flow.	Understanding Cash Flow Statements
754	<b>Indirect taxes</b>	Taxes such as taxes on spending, as opposed to direct taxes.	Monetary and Fiscal Policy
755	<b>Industry analysis</b>	The analysis of a specific branch of manufacturing, service, or trade.	Introduction to Industry and Company Analysis
756	<b>Industry</b>	A group of companies offering similar products and/or services.	Introduction to Industry and Company Analysis
757	<b>Inelastic</b>	Said of a good or service when the magnitude of elasticity is less than one. Insensitive to price changes.	Topics in Supply and Demand Analysis
758	<b>Inferior goods</b>	A good whose consumption decreases as income increases.	Topics in Supply and Demand Analysis
759	<b>Inflation-linked bond</b>	Type of index-linked bond that offers investors protection against inflation by linking the bond's coupon payments and/or the principal repayment to an index of consumer prices.	Fixed-Income Securities: Defining Elements

760	<b>Inflation</b>	The percentage increase in the general price level from one period to the next; a sustained rise in the overall level of prices in an economy.	Aggregate Output, Prices, and Economic Growth
761	<b>Inflation</b>	The percentage increase in the general price level from one period to the next; a sustained rise in the overall level of prices in an economy.	Understanding Business Cycles
762	<b>Inflation premium</b>	An extra return that compensates investors for expected inflation.	The Time Value of Money
763	<b>Inflation rate</b>	The percentage change in a price index—that is, the speed of overall price level movements.	Understanding Business Cycles
764	<b>Inflation Reports</b>	A type of economic publication put out by many central banks.	Monetary and Fiscal Policy
765	<b>Inflation uncertainty</b>	The degree to which economic agents view future rates of inflation as difficult to forecast.	Monetary and Fiscal Policy
766	<b>Informationally efficient market</b>	A market in which asset prices reflect new information quickly and rationally.	Market Organization and Structure
767	<b>Informationally efficient market</b>	A market in which asset prices reflect new information quickly and rationally.	Market Efficiency
768	<b>Informationally efficient market</b>	A market in which asset prices reflect new information quickly and rationally.	Portfolio Risk and Return: Part II
769	<b>Information cascade</b>	The transmission of information from those participants who act first and whose decisions influence the decisions of others.	Market Efficiency
770	<b>Information-motivated traders</b>	Traders that trade to profit from information that they believe allows them to predict future prices.	Market Organization and Structure
771	<b>Initial coin offering</b>	An unregulated process whereby companies raise capital by selling crypto tokens to investors in exchange for fiat money or another agreed-upon cryptocurrency.	Fintech in Investment Management
772	<b>Initial margin</b>	The amount that must be deposited in a clearinghouse account when entering into a futures contract.	Derivative Markets and Instruments
773	<b>Initial margin</b>	The amount that must be deposited in a clearinghouse account when entering into a futures contract.	Market Organization and Structure
774	<b>Initial margin requirement</b>	The margin requirement on the first day of a transaction as well as on any day in which additional margin funds must be deposited.	Market Organization and Structure
775	<b>Initial public offering</b>	(IPO) The first issuance of common shares to the public by a formerly private corporation.	Overview of Equity Securities
776	<b>Initial public offering</b>	(IPO) The first issuance of common shares to the public by a formerly private corporation.	Market Organization and Structure
777	<b>Input productivity</b>	The amount of output produced by workers in a given period of time—for example, output per hour worked; measures the efficiency of labor.	Topics in Supply and Demand Analysis
778	<b>Intangible assets</b>	Assets lacking physical substance, such as patents and trademarks.	Understanding Income Statements
779	<b>Intangible assets</b>	Assets lacking physical substance, such as patents and trademarks.	Understanding Balance Sheets
780	<b>Intangible assets</b>	Assets lacking physical substance, such as patents and trademarks.	Long-Lived Assets
781	<b>Interbank market</b>	The market of loans and deposits between banks for maturities ranging from overnight to one year.	Fixed-Income Markets: Issuance, Trading, and Funding
782	<b>Interbank money market</b>	The market of loans and deposits between banks for maturities ranging from overnight to one year.	Fixed-Income Markets: Issuance, Trading, and Funding
783	<b>Interest coverage</b>	A solvency ratio calculated as EBIT divided by interest payments.	Financial Analysis Techniques
784	<b>Interest-only mortgage</b>	A loan in which no scheduled principal repayment is specified for a certain number of years.	Introduction to Asset-Backed Securities
785	<b>Interest</b>	Payment for lending funds.	Aggregate Output, Prices, and Economic Growth
786	<b>Interest rate</b>	A rate of return that reflects the relationship between differently dated cash flows; a discount rate.	The Time Value of Money

787	<b>Interest rate swap</b>	A swap in which the underlying is an interest rate. Can be viewed as a currency swap in which both currencies are the same and can be created as a combination of currency swaps.	Market Organization and Structure
788	<b>Intergenerational data mining</b>	A form of data mining that applies information developed by previous researchers using a dataset to guide current research using the same or a related dataset.	Sampling and Estimation
789	<b>Intermarket analysis</b>	A field within technical analysis that combines analysis of major categories of securities—namely, equities, bonds, currencies, and commodities—to identify market trends and possible inflections in a trend.	Technical Analysis
790	<b>Internal rate of return</b>	(IRR) The discount rate that makes net present value equal 0; the discount rate that makes the present value of an investment's costs (outflows) equal to the present value of the investment's benefits (inflows).	Capital Budgeting
791	<b>Internal rate of return</b>	(IRR) The discount rate that makes net present value equal 0; the discount rate that makes the present value of an investment's costs (outflows) equal to the present value of the investment's benefits (inflows).	Portfolio Risk and Return: Part I
792	<b>Internet of Things</b>	A network arrangement of structures and devices whereby the objects on the network are able to interact and share information.	Fintech in Investment Management
793	<b>Interpolated spread</b>	The yield spread of a specific bond over the standard swap rate in that currency of the same tenor.	Introduction to Fixed-Income Valuation
794	<b>Interquartile range</b>	The difference between the third and first quartiles of a dataset.	Statistical Concepts and Market Returns
795	<b>Interval</b>	With reference to grouped data, a set of values within which an observation falls.	Statistical Concepts and Market Returns
796	<b>Interval scale</b>	A measurement scale that not only ranks data but also gives assurance that the differences between scale values are equal.	Statistical Concepts and Market Returns
797	<b>In the money</b>	Options that, if exercised, would result in the value received being worth more than the payment required to exercise.	Basics of Derivative Pricing and Valuation
798	<b>In the money</b>	Options that, if exercised, would result in the value received being worth more than the payment required to exercise.	Derivative Markets and Instruments
799	<b>Intrinsic value</b>	The value obtained if an option is exercised based on current conditions.	Market Efficiency
800	<b>Intrinsic value</b>	The value obtained if an option is exercised based on current conditions.	Basics of Derivative Pricing and Valuation
801	<b>Intrinsic value</b>	The value obtained if an option is exercised based on current conditions.	Equity Valuation: Concepts and Basic Tools
802	<b>Inventory blanket lien</b>	The use of inventory as collateral for a loan. Though the lender has claim to some or all of the company's inventory, the company may still sell or use the inventory in the ordinary course of business.	Working Capital Management
803	<b>Inventory investment</b>	Net change in business inventory.	Aggregate Output, Prices, and Economic Growth
804	<b>Inventory turnover</b>	An activity ratio calculated as cost of goods sold divided by average inventory.	Inventories
805	<b>Inventory turnover</b>	An activity ratio calculated as cost of goods sold divided by average inventory.	Working Capital Management
806	<b>Inverse demand function</b>	A restatement of the demand function in which price is stated as a function of quantity.	Topics in Supply and Demand Analysis
807	<b>Inverse floater</b>	A type of leveraged structured financial instrument. The cash flows are adjusted periodically and move in the opposite direction of changes in the reference rate.	Fixed-Income Markets: Issuance, Trading, and Funding
808	<b>Investing activities</b>	Activities associated with the acquisition and disposal of property, plant, and equipment; intangible assets; other long-term assets; and both long-term and short-term investments in the equity and debt (bonds and loans) issued by other companies.	Understanding Cash Flow Statements
809	<b>Investing activities</b>	Activities associated with the acquisition and disposal of property, plant, and equipment; intangible assets; other long-term assets; and both long-term and short-term investments in the equity and debt (bonds and loans) issued by other companies.	Introduction to Financial Statement Analysis
810	<b>Investment banks</b>	Financial intermediaries that provide advice to their mostly corporate clients and help them arrange transactions such as initial and seasoned securities offerings.	Market Organization and Structure
811	<b>Investment opportunity schedule</b>	A graphical depiction of a company's investment opportunities ordered from highest to lowest expected return. A company's optimal capital budget is found where the investment opportunity schedule intersects with the company's marginal cost of capital.	Cost of Capital
812	<b>Investment policy statement</b>	(IPS) A written planning document that describes a client's investment objectives and risk tolerance over a relevant time horizon, along with constraints that apply to the client's portfolio.	Portfolio Management: An Overview

813	<b>Investment property</b>	Property used to earn rental income or capital appreciation (or both).	Understanding Balance Sheets
814	<b>I-spread</b>	The yield spread of a specific bond over the standard swap rate in that currency of the same tenor.	Introduction to Fixed-Income Valuation
815	<b>January effect</b>	Calendar anomaly that stock market returns in January are significantly higher compared to the rest of the months of the year, with most of the abnormal returns reported during the first five trading days in January.	Market Efficiency
816	<b>Joint probability function</b>	A function giving the probability of joint occurrences of values of stated random variables.	Probability Concepts
817	<b>Joint probability</b>	The probability of the joint occurrence of stated events.	Probability Concepts
818	<b>Just-in-time (JIT) method</b>	Method of managing inventory that minimizes in-process inventory stocks.	Working Capital Management
819	<b>Keynesians</b>	Economists who believe that fiscal policy can have powerful effects on aggregate demand, output, and employment when there is substantial spare capacity in an economy.	Monetary and Fiscal Policy
820	<b>Key rate duration</b>	A method of measuring the interest rate sensitivities of a fixed-income instrument or portfolio to shifts in key points along the yield curve.	Understanding Fixed-Income Risk and Return
821	<b>Kondratieff wave</b>	A 54-year long economic cycle postulated by Nikolai Kondratieff.	Technical Analysis
822	<b>Kurtosis</b>	The statistical measure that indicates the combined weight of the tails of a distribution relative to the rest of the distribution.	Statistical Concepts and Market Returns
823	<b>Kurtosis</b>	The statistical measure that indicates the combined weight of the tails of a distribution relative to the rest of the distribution.	Portfolio Risk and Return: Part I
824	<b>Labor force</b>	The portion of the working age population (over the age of 16) that is employed or is available for work but not working (unemployed).	Understanding Business Cycles
825	<b>Labor force</b>	The portion of the working age population (over the age of 16) that is employed or is available for work but not working (unemployed).	Aggregate Output, Prices, and Economic Growth
826	<b>Labor productivity</b>	The quantity of goods and services (real GDP) that a worker can produce in one hour of work.	Aggregate Output, Prices, and Economic Growth
827	<b>Laddering strategy</b>	A form of active strategy which entails scheduling maturities on a systematic basis within the investment portfolio such that investments are spread out equally over the term of the ladder.	Working Capital Management
828	<b>Lagging economic indicators</b>	Turning points that take place later than those of the overall economy; they are believed to have value in identifying the economy's past condition.	Understanding Business Cycles
829	<b>Laspeyres index</b>	A price index created by holding the composition of the consumption basket constant.	Understanding Business Cycles
830	<b>Law of demand</b>	The principle that as the price of a good rises, buyers will choose to buy less of it, and as its price falls, they will buy more.	Topics in Supply and Demand Analysis
831	<b>Law of diminishing marginal returns</b>	The observation that a variable factor's marginal product must eventually fall as more of it is added to a fixed amount of the other factors.	Topics in Supply and Demand Analysis
832	<b>Law of diminishing returns</b>	The smallest output that a firm can produce such that its long run average costs are minimized.	The Firm and Market Structures
833	<b>Law of one price</b>	The condition in a financial market in which two equivalent financial instruments or combinations of financial instruments can sell for only one price. Equivalent to the principle that no arbitrage opportunities are possible.	Derivative Markets and Instruments
834	<b>Law of one price</b>	The condition in a financial market in which two equivalent financial instruments or combinations of financial instruments can sell for only one price. Equivalent to the principle that no arbitrage opportunities are possible.	Equity Valuation: Concepts and Basic Tools
835	<b>Leading economic indicators</b>	Turning points that usually precede those of the overall economy; they are believed to have value for predicting the economy's future state, usually near-term.	Understanding Business Cycles
836	<b>Lead underwriter</b>	The lead investment bank in a syndicate of investment banks and broker-dealers involved in a securities underwriting.	Market Organization and Structure
837	<b>Legal tender</b>	Something that must be accepted when offered in exchange for goods and services.	Monetary and Fiscal Policy
838	<b>Lender of last resort</b>	An entity willing to lend money when no other entity is ready to do so.	Monetary and Fiscal Policy
839	<b>Leptokurtic</b>	Describes a distribution that has fatter tails than a normal distribution.	Statistical Concepts and Market Returns



840	<b>Lessee</b>	The party obtaining the use of an asset through a lease.	Non-Current (Long-Term) Liabilities
841	<b>Lessor</b>	The owner of an asset that grants the right to use the asset to another party.	Non-Current (Long-Term) Liabilities
842	<b>Letter of credit</b>	Form of external credit enhancement whereby a financial institution provides the issuer with a credit line to reimburse any cash flow shortfalls from the assets backing the issue.	Fixed-Income Securities: Defining Elements
843	<b>Level of significance</b>	The probability of a Type I error in testing a hypothesis.	Hypothesis Testing
844	<b>Leveraged buyout</b>	A transaction whereby the target company's management team converts the target to a privately held company by using heavy borrowing to finance the purchase of the target company's outstanding shares.	Overview of Equity Securities
845	<b>Leveraged buyout</b>	A transaction whereby the target company's management team converts the target to a privately held company by using heavy borrowing to finance the purchase of the target company's outstanding shares.	Introduction to Alternative Investments
846	<b>Leverage</b>	In the context of corporate finance, leverage refers to the use of fixed costs within a company's cost structure. Fixed costs that are operating costs (such as depreciation or rent) create operating leverage. Fixed costs that are financial costs (such as interest expense) create financial leverage.	Portfolio Risk and Return: Part I
847	<b>Leverage</b>	In the context of corporate finance, leverage refers to the use of fixed costs within a company's cost structure. Fixed costs that are operating costs (such as depreciation or rent) create operating leverage. Fixed costs that are financial costs (such as interest expense) create financial leverage.	Measures of Leverage
848	<b>Liabilities</b>	Present obligations of an enterprise arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits; creditors' claims on the resources of a company.	Understanding Balance Sheets
849	<b>Liabilities</b>	Present obligations of an enterprise arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits; creditors' claims on the resources of a company.	Financial Reporting Standards
850	<b>Liabilities</b>	Present obligations of an enterprise arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits; creditors' claims on the resources of a company.	Introduction to Financial Statement Analysis
851	<b>Life-cycle stage</b>	The stage of the life cycle: embryonic, growth, shakeout, mature, declining.	Introduction to Industry and Company Analysis
852	<b>LIFO layer liquidation</b>	With respect to the application of the LIFO inventory method, the liquidation of old, relatively low-priced inventory; happens when the volume of sales rises above the volume of recent purchases so that some sales are made from relatively old, low-priced inventory.	Understanding Income Statements
853	<b>LIFO method</b>	The last in, first out, method of accounting for inventory, which matches sales against the costs of items of inventory in the reverse order the items were placed in inventory (i.e., inventory produced or acquired last are assumed to be sold first).	Understanding Income Statements
854	<b>LIFO reserve</b>	The difference between the reported LIFO inventory carrying amount and the inventory amount that would have been reported if the FIFO method had been used (in other words, the FIFO inventory value less the LIFO inventory value).	Inventories
855	<b>Likelihood</b>	The probability of an observation, given a particular set of conditions.	Probability Concepts
856	<b>Limitations on liens</b>	Meant to put limits on how much secured debt an issuer can have.	Fundamentals of Credit Analysis
857	<b>Limit down</b>	A limit move in the futures market in which the price at which a transaction would be made is at or below the lower limit.	Derivative Markets and Instruments
858	<b>Limited partners</b>	Partners with limited liability. Limited partnerships in hedge and private equity funds are typically restricted to investors who are expected to understand and to be able to assume the risks associated with the investments.	Introduction to Alternative Investments
859	<b>Limit order book</b>	The book or list of limit orders to buy and sell that pertains to a security.	Market Organization and Structure
860	<b>Limit order</b>	Instructions to a broker or exchange to obtain the best price immediately available when filling an order, but in no event accept a price higher than a specified (limit) price when buying or accept a price lower than a specified (limit) price when selling.	Market Organization and Structure
861	<b>Limit up</b>	A limit move in the futures market in which the price at which a transaction would be made is at or above the upper limit.	Derivative Markets and Instruments
862	<b>Linear interpolation</b>	The estimation of an unknown value on the basis of two known values that bracket it, using a straight line between the two known values.	Statistical Concepts and Market Returns
863	<b>Linear scale</b>	A scale in which equal distances correspond to equal absolute amounts.	Technical Analysis
864	<b>Line chart</b>	In technical analysis, a plot of price data, typically closing prices, with a line connecting the points.	Technical Analysis
865	<b>Linker</b>	Type of index-linked bond that offers investors protection against inflation by linking the bond's coupon payments and/or the principal repayment to an	Fixed-Income Securities: Defining Elements

		index of consumer prices.	
866	<b>Liquidation</b>	To sell the assets of a company, division, or subsidiary piecemeal, typically because of bankruptcy; the form of bankruptcy that allows for the orderly satisfaction of creditors' claims after which the company ceases to exist.	Measures of Leverage
867	<b>Liquidity</b>	The ability to purchase or sell an asset quickly and easily at a price close to fair market value. The ability to meet short-term obligations using assets that are the most readily converted into cash.	Introduction to Financial Statement Analysis
868	<b>Liquidity</b>	The ability to purchase or sell an asset quickly and easily at a price close to fair market value. The ability to meet short-term obligations using assets that are the most readily converted into cash.	Market Organization and Structure
869	<b>Liquidity</b>	The ability to purchase or sell an asset quickly and easily at a price close to fair market value. The ability to meet short-term obligations using assets that are the most readily converted into cash.	Working Capital Management
870	<b>Liquidity</b>	The ability to purchase or sell an asset quickly and easily at a price close to fair market value. The ability to meet short-term obligations using assets that are the most readily converted into cash.	Portfolio Risk and Return: Part I
871	<b>Liquidity</b>	The ability to purchase or sell an asset quickly and easily at a price close to fair market value. The ability to meet short-term obligations using assets that are the most readily converted into cash.	Understanding Balance Sheets
872	<b>Liquidity premium</b>	An extra return that compensates investors for the risk of loss relative to an investment's fair value if the investment needs to be converted to cash quickly.	The Time Value of Money
873	<b>Liquidity ratios</b>	Financial ratios measuring the company's ability to meet its short-term obligations.	Financial Analysis Techniques
874	<b>Liquidity ratios</b>	Financial ratios measuring the company's ability to meet its short-term obligations.	Understanding Balance Sheets
875	<b>Liquidity ratios</b>	Financial ratios measuring the company's ability to meet its short-term obligations.	Working Capital Management
876	<b>Liquidity risk</b>	The risk that a financial instrument cannot be purchased or sold without a significant concession in price due to the size of the market.	Introduction to Risk Management
877	<b>Liquidity trap</b>	A condition in which the demand for money becomes infinitely elastic (horizontal demand curve) so that injections of money into the economy will not lower interest rates or affect real activity.	Monetary and Fiscal Policy
878	<b>Liquid market</b>	Said of a market in which traders can buy or sell with low total transaction costs when they want to trade.	Market Organization and Structure
879	<b>Load fund</b>	A mutual fund in which, in addition to the annual fee, a percentage fee is charged to invest in the fund and/or for redemptions from the fund.	Portfolio Management: An Overview
880	<b>Loan-to-value ratio</b>	The ratio of a property's purchase price to the amount of its mortgage.	Introduction to Asset-Backed Securities
881	<b>Lockbox system</b>	A payment system in which customer payments are mailed to a post office box and the banking institution retrieves and deposits these payments several times a day, enabling the company to have use of the fund sooner than in a centralized system in which customer payments are sent to the company.	Working Capital Management
882	<b>Locked limit</b>	A condition in the futures markets in which a transaction cannot take place because the price would be beyond the limits.	Derivative Markets and Instruments
883	<b>Lockup period</b>	The minimum holding period before investors are allowed to make withdrawals or redeem shares from a fund.	Introduction to Alternative Investments
884	<b>Logarithmic scale</b>	A scale in which equal distances represent equal proportional changes in the underlying quantity.	Technical Analysis
885	<b>London interbank offered rate (Libor)</b>	Collective name for multiple rates at which a select set of banks believe they could borrow unsecured funds from other banks in the London interbank market for different currencies and different borrowing periods ranging from overnight to one year.	Fixed-Income Markets: Issuance, Trading, and Funding
886	<b>London interbank offered rate (Libor)</b>	Collective name for multiple rates at which a select set of banks believe they could borrow unsecured funds from other banks in the London interbank market for different currencies and different borrowing periods ranging from overnight to one year.	Working Capital Management
887	<b>London interbank offered rate (Libor)</b>	Collective name for multiple rates at which a select set of banks believe they could borrow unsecured funds from other banks in the London interbank market for different currencies and different borrowing periods ranging from overnight to one year.	Fixed-Income Securities: Defining Elements
888	<b>Longitudinal data</b>	Observations on characteristic(s) of the same observational unit through time.	Sampling and Estimation
889	<b>Long-lived assets</b>	Assets that are expected to provide economic benefits over a future period of time, typically greater than one year.	Long-Lived Assets
890	<b>Long-lived assets</b>	Assets that are expected to provide economic benefits over a future period of time, typically greater than one year.	Understanding Income Statements

891	<b>Long</b>	The buyer of a derivative contract. Also refers to the position of owning a derivative.	Derivative Markets and Instruments
892	<b>Long position</b>	A position in an asset or contract in which one owns the asset or has an exercisable right under the contract.	Market Organization and Structure
893	<b>Long-run average total cost</b>	The curve describing average total cost when no costs are considered fixed.	Topics in Supply and Demand Analysis
894	<b>Look-ahead bias</b>	A bias caused by using information that was unavailable on the test date.	Sampling and Estimation
895	<b>Loss aversion</b>	The tendency of people to dislike losses more than they like comparable gains.	Market Efficiency
896	<b>Losses</b>	Asset outflows not directly related to the ordinary activities of the business.	Understanding Income Statements
897	<b>Loss severity</b>	Portion of a bond's value (including unpaid interest) an investor loses in the event of default.	Fundamentals of Credit Analysis
898	<b>Lower bound</b>	The lowest possible value of an option.	Sampling and Estimation
899	<b>Macaulay duration</b>	The approximate amount of time a bond would have to be held for the market discount rate at purchase to be realized if there is a single change in interest rate. It indicates the point in time when the coupon reinvestment and price effects of a change in yield-to- maturity offset each other.	Understanding Fixed-Income Risk and Return
900	<b>Machine learning</b>	Computer based techniques that seek to extract knowledge from large amounts of data by "learning" from known examples and then generating structure or predictions. ML algorithms aim to "find the pattern, apply the pattern."	Fintech in Investment Management
901	<b>Macroeconomics</b>	The branch of economics that deals with aggregate economic quantities, such as national output and national income.	Topics in Supply and Demand Analysis
902	<b>Maintenance covenants</b>	Covenants in bank loan agreements that require the borrower to satisfy certain financial ratio tests while the loan is outstanding.	Fundamentals of Credit Analysis
903	<b>Maintenance margin</b>	The minimum amount that is required by a futures clearinghouse to maintain a margin account and to protect against default. Participants whose margin balances drop below the required maintenance margin must replenish their accounts.	Market Organization and Structure
904	<b>Maintenance margin</b>	The minimum amount that is required by a futures clearinghouse to maintain a margin account and to protect against default. Participants whose margin balances drop below the required maintenance margin must replenish their accounts.	Derivative Markets and Instruments
905	<b>Maintenance margin requirement</b>	The margin requirement on any day other than the first day of a transaction.	Market Organization and Structure
906	<b>Management buy-ins</b>	Leveraged buyout in which the current management team is being replaced and the acquiring team will be involved in managing the company.	Introduction to Alternative Investments
907	<b>Management buyout</b>	A leveraged buyout event in which a group of investors consisting primarily of the company's existing management purchase at least controlling interest in its outstanding shares. At the extreme, they may purchase all shares and take the company private.	Overview of Equity Securities
908	<b>Management buyout</b>	A leveraged buyout event in which a group of investors consisting primarily of the company's existing management purchase at least controlling interest in its outstanding shares. At the extreme, they may purchase all shares and take the company private.	Introduction to Alternative Investments
909	<b>Management fee</b>	A fee based on assets under management or committed capital, as applicable.	Introduction to Alternative Investments
910	<b>Manufacturing resource planning (MRP)</b>	The incorporation of production planning into inventory management. A MRP analysis provides both a materials acquisition schedule and a production schedule.	Working Capital Management
911	<b>Marginal cost</b>	The cost of producing an additional unit of a good.	Topics in Supply and Demand Analysis
912	<b>Marginal probability</b>	The probability of an event not conditioned on another event.	Probability Concepts
913	<b>Marginal product</b>	Measures the productivity of each unit of input and is calculated by taking the difference in total product from adding another unit of input (assuming other resource quantities are held constant).	Topics in Supply and Demand Analysis
914	<b>Marginal propensity to consume</b>	The proportion of an additional unit of disposable income that is consumed or spent; the change in consumption for a small change in income.	Monetary and Fiscal Policy
915	<b>Marginal propensity to consume</b>	The proportion of an additional unit of disposable income that is consumed or spent; the change in consumption for a small change in income.	Aggregate Output, Prices, and Economic Growth
916	<b>Marginal propensity to save</b>	The proportion of an additional unit of disposable income that is saved (not spent).	Aggregate Output, Prices, and Economic Growth

917	<b>Marginal propensity to save</b>	The proportion of an additional unit of disposable income that is saved (not spent).	Monetary and Fiscal Policy
918	<b>Marginal revenue</b>	The change in total revenue divided by the change in quantity sold; simply, the additional revenue from selling one more unit.	Topics in Supply and Demand Analysis
919	<b>Marginal value curve</b>	A curve describing the highest price consumers are willing to pay for each additional unit of a good.	The Firm and Market Structures
920	<b>Margin bond</b>	A cash deposit required by the clearinghouse from the participants to a contract to provide a credit guarantee.	Derivative Markets and Instruments
921	<b>Margin call</b>	A request for the short to deposit additional funds to bring their balance up to the initial margin.	Derivative Markets and Instruments
922	<b>Margin call</b>	A request for the short to deposit additional funds to bring their balance up to the initial margin.	Market Organization and Structure
923	<b>Margin loan</b>	Money borrowed from a broker to purchase securities.	Market Organization and Structure
924	<b>Margin</b>	The amount of money that a trader deposits in a margin account. The term is derived from the stock market practice in which an investor borrows a portion of the money required to purchase a certain amount of stock. In futures markets, there is no borrowing so the margin is more of a down payment or performance bond.	Derivative Markets and Instruments
925	<b>Marketable limit order</b>	A buy limit order in which the limit price is placed above the best offer, or a sell limit order in which the limit price is placed below the best bid. Such orders generally will partially or completely fill right away.	Market Organization and Structure
926	<b>Market anomaly</b>	Change in the price or return of a security that cannot directly be linked to current relevant information known in the market or to the release of new information into the market.	Market Efficiency
927	<b>Market bid–ask spread</b>	The difference between the best bid and the best offer.	Market Organization and Structure
928	<b>Market-capitalization weighting</b>	An index weighting method in which the weight assigned to each constituent security is determined by dividing its market capitalization by the total market capitalization (sum of the market capitalization) of all securities in the index.	Security Market Indexes
929	<b>Market discount rate</b>	The rate of return required by investors given the risk of the investment in a bond.	Introduction to Fixed-Income Valuation
930	<b>Market float</b>	The number of shares that are available to the investing public.	Security Market Indexes
931	<b>Market liquidity risk</b>	The risk that the price at which investors can actually transact—buying or selling—may differ from the price indicated in the market.	Fundamentals of Credit Analysis
932	<b>Market model</b>	A regression equation that specifies a linear relationship between the return on a security (or portfolio) and the return on a broad market index.	Portfolio Risk and Return: Part II
933	<b>Market multiple models</b>	Valuation models based on share price multiples or enterprise value multiples.	Equity Valuation: Concepts and Basic Tools
934	<b>Market-on-close</b>	An execution instruction specifying that an order can only be filled at the close of trading.	Market Organization and Structure
935	<b>Market order</b>	Instructions to a broker or exchange to obtain the best price immediately available when filling an order.	Market Organization and Structure
936	<b>Market-oriented investors</b>	With reference to equity investors, investors whose investment disciplines cannot be clearly categorized as value or growth.	Applications of Financial Statement Analysis
937	<b>Market rate of interest</b>	The rate demanded by purchasers of bonds, given the risks associated with future cash payment obligations of the particular bond issue.	Non-Current (Long-Term) Liabilities
938	<b>Market risk</b>	The risk that arises from movements in interest rates, stock prices, exchange rates, and commodity prices.	Introduction to Risk Management
939	<b>Market value</b>	The price at which an asset or security can currently be bought or sold in an open market.	Market Efficiency
940	<b>Markowitz efficient frontier</b>	The graph of the set of portfolios offering the maximum expected return for their level of risk (standard deviation of return).	Portfolio Risk and Return: Part I
941	<b>Mark to market</b>	The revaluation of a financial asset or liability to its current market value or fair value.	Derivative Markets and Instruments
942	<b>Matching principle</b>	The accounting principle that expenses should be recognized in the same period in which the associated revenue is recognized.	Understanding Income Statements
943	<b>Matching strategy</b>	An active investment strategy that includes intentional matching of the timing of cash outflows with investment maturities.	Working Capital Management
944	<b>Matrix pricing</b>	Process of estimating the market discount rate and price of a bond based on the quoted or flat prices of more frequently traded comparable bonds.	Cost of Capital

945	<b>Matrix pricing</b>	Process of estimating the market discount rate and price of a bond based on the quoted or flat prices of more frequently traded comparable bonds.	Introduction to Fixed-Income Valuation
946	<b>Maturity premium</b>	An extra return that compensates investors for the increased sensitivity of the market value of debt to a change in market interest rates as maturity is extended.	The Time Value of Money
947	<b>Maturity structure</b>	A factor explaining the differences in yields on similar bonds.	Introduction to Fixed-Income Valuation
948	<b>Mean absolute deviation</b>	With reference to a sample, the mean of the absolute values of deviations from the sample mean.	Statistical Concepts and Market Returns
949	<b>Mean–variance analysis</b>	An approach to portfolio analysis using expected means, variances, and covariances of asset returns.	Common Probability Distributions
950	<b>Measurement scales</b>	A scheme of measuring differences. The four types of measurement scales are nominal, ordinal, interval, and ratio.	Statistical Concepts and Market Returns
951	<b>Measure of central tendency</b>	A quantitative measure that specifies where data are centered.	Statistical Concepts and Market Returns
952	<b>Measure of value</b>	A standard for measuring value; a function of money.	Monetary and Fiscal Policy
953	<b>Measures of location</b>	A quantitative measure that describes the location or distribution of data; includes not only measures of central tendency but also other measures such as percentiles.	Statistical Concepts and Market Returns
954	<b>Median</b>	The value of the middle item of a set of items that has been sorted into ascending or descending order; the 50th percentile.	Statistical Concepts and Market Returns
955	<b>Medium of exchange</b>	Any asset that can be used to purchase goods and services or to repay debts; a function of money.	Monetary and Fiscal Policy
956	<b>Medium-term note</b>	A corporate bond offered continuously to investors by an agent of the issuer, designed to fill the funding gap between commercial paper and long-term bonds.	Fixed-Income Markets: Issuance, Trading, and Funding
957	<b>Menu costs</b>	A cost of inflation in which businesses constantly have to incur the costs of changing the advertised prices of their goods and services.	Monetary and Fiscal Policy
958	<b>Mesokurtic</b>	Describes a distribution with kurtosis identical to that of the normal distribution.	Statistical Concepts and Market Returns
959	<b>Mezzanine financing</b>	Debt or preferred shares with a relationship to common equity resulting from a feature such as attached warrants or conversion options. Mezzanine financing is subordinate to both senior and high-yield debt but is senior to equity. It is referred to as “mezzanine” because of its location on the balance sheet.	Introduction to Alternative Investments
960	<b>Microeconomics</b>	The branch of economics that deals with markets and decision making of individual economic units, including consumers and businesses.	Topics in Supply and Demand Analysis
961	<b>Minimum efficient scale</b>	The smallest output that a firm can produce such that its long-run average total cost is minimized.	Topics in Supply and Demand Analysis
962	<b>Minimum-variance portfolio</b>	The portfolio with the minimum variance for each given level of expected return.	Portfolio Risk and Return: Part I
963	<b>Minimum-variance portfolio</b>	The portfolio with the minimum variance for each given level of expected return.	Basics of Portfolio Planning and Construction
964	<b>Minority shareholders</b>	A particular shareholder or block of shareholders holding a small proportion of a company’s outstanding shares, resulting in a limited ability to exercise control in voting activities.	Introduction to Corporate Governance and Other ESG Considerations
965	<b>Minsky moment</b>	Named for Hyman Minsky: A point in a business cycle when, after individuals become overextended in borrowing to finance speculative investments, people start realizing that something is likely to go wrong and a panic ensues leading to asset sell-offs.	Understanding Business Cycles
966	<b>Mismatching strategy</b>	An active investment strategy whereby the timing of cash outflows is not matched with investment maturities.	Working Capital Management
967	<b>Modal interval</b>	With reference to grouped data, the most frequently occurring interval.	Statistical Concepts and Market Returns
968	<b>Mode</b>	The most frequently occurring value in a set of observations.	Statistical Concepts and Market Returns
969	<b>Modern portfolio theory</b>	(MPT) The analysis of rational portfolio choices based on the efficient use of risk.	Portfolio Management: An Overview
970	<b>Modified duration</b>	A measure of the percentage price change of a bond given a change in its yield-to-maturity.	Understanding Fixed-Income Risk and Return
971	<b>Momentum oscillators</b>	A graphical representation of market sentiment that is constructed from price data and calculated so that it oscillates either between a high and a low or around some number.	Technical Analysis

972	<b>Monetarists</b>	Economists who believe that the rate of growth of the money supply is the primary determinant of the rate of inflation.	Monetary and Fiscal Policy
973	<b>Monetary policy</b>	Actions taken by a nation's central bank to affect aggregate output and prices through changes in bank reserves, reserve requirements, or its target interest rate.	Sampling and Estimation
974	<b>Monetary policy</b>	Actions taken by a nation's central bank to affect aggregate output and prices through changes in bank reserves, reserve requirements, or its target interest rate.	Aggregate Output, Prices, and Economic Growth
975	<b>Monetary policy</b>	Actions taken by a nation's central bank to affect aggregate output and prices through changes in bank reserves, reserve requirements, or its target interest rate.	Monetary and Fiscal Policy
976	<b>Monetary transmission mechanism</b>	The process whereby a central bank's interest rate gets transmitted through the economy and ultimately affects the rate of increase of prices.	Monetary and Fiscal Policy
977	<b>Monetary union</b>	An economic union in which the members adopt a common currency.	International Trade and Capital Flows
978	<b>Money convexity</b>	For a bond, the annual or approximate convexity multiplied by the full price.	Understanding Fixed-Income Risk and Return
979	<b>Money creation</b>	The process by which changes in bank reserves translate into changes in the money supply.	Monetary and Fiscal Policy
980	<b>Money duration</b>	A measure of the price change in units of the currency in which the bond is denominated given a change in its yield-to-maturity.	Understanding Fixed-Income Risk and Return
981	<b>Money market</b>	The market for short-term debt instruments (one-year maturity or less).	Market Organization and Structure
982	<b>Money market securities</b>	Fixed-income securities with maturities at issuance of one year or less.	Fixed-Income Securities: Defining Elements
983	<b>Money market yield</b>	A yield on a basis comparable to the quoted yield on an interest-bearing money market instrument that pays interest on a 360-day basis; the annualized holding period yield, assuming a 360-day year.	Working Capital Management
984	<b>Money multiplier</b>	Describes how a change in reserves is expected to affect the money supply; in its simplest form, 1 divided by the reserve requirement.	Monetary and Fiscal Policy
985	<b>Moneyneess</b>	The relationship between the price of the underlying and an option's exercise price.	Basics of Derivative Pricing and Valuation
986	<b>Money neutrality</b>	The thesis that an increase in the money supply leads in the long-run to an increase in the price level, while leaving real variables like output and employment unaffected.	Monetary and Fiscal Policy
987	<b>Money</b>	A generally accepted medium of exchange and unit of account.	Monetary and Fiscal Policy
988	<b>Money-weighted return</b>	The internal rate of return on a portfolio, taking account of all cash flows.	Portfolio Risk and Return: Part I
989	<b>Monopolistic competition</b>	Highly competitive form of imperfect competition; the competitive characteristic is a notably large number of firms, while the monopoly aspect is the result of product differentiation.	The Firm and Market Structures
990	<b>Monopoly</b>	In pure monopoly markets, there are no substitutes for the given product or service. There is a single seller, which exercises considerable power over pricing and output decisions.	The Firm and Market Structures
991	<b>Monte Carlo simulation</b>	An approach to estimating a probability distribution of outcomes to examine what might happen if particular risks are faced. This method is widely used in the sciences as well as in business to study a variety of problems.	Common Probability Distributions
992	<b>Moral principles</b>	Beliefs regarding what is good, acceptable, or obligatory behavior and what is bad, unacceptable, or forbidden behavior.	Ethics and Trust in the Investment Profession
993	<b>Mortgage-backed securities</b>	Debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property.	Introduction to Asset-Backed Securities
994	<b>Mortgage-backed securities</b>	Debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property.	Fixed-Income Securities: Defining Elements
995	<b>Mortgage loan</b>	A loan secured by the collateral of some specified real estate property that obliges the borrower to make a predetermined series of payments to the lender.	Introduction to Asset-Backed Securities
996	<b>Mortgage pass-through security</b>	A security created when one or more holders of mortgages form a pool of mortgages and sell shares or participation certificates in the pool.	Introduction to Asset-Backed Securities
997	<b>Mortgage rate</b>	The interest rate on a mortgage loan.	Introduction to Asset-Backed Securities
998	<b>Moving-average convergence/divergence oscillator</b>	(MACD) A momentum oscillator that is constructed based on the difference between short-term and long-term moving averages of a security's price.	Technical Analysis

999	<b>Moving average</b>	The average of the closing price of a security over a specified number of periods. With each new period, the average is recalculated.	Technical Analysis
1000	<b>M<sup>2</sup> alpha</b>	Difference between the risk-adjusted performance of the portfolio and the performance of the benchmark.	Portfolio Risk and Return: Part II
1001	<b>M<sup>2</sup></b>	A measure of what a portfolio would have returned if it had taken on the same total risk as the market index.	Portfolio Risk and Return: Part II
1002	<b>Multi-factor model</b>	A model that explains a variable in terms of the values of a set of factors.	Portfolio Risk and Return: Part II
1003	<b>Multilateral trading facilities</b>	Trading venues that function like exchanges but that do not exercise regulatory authority over their subscribers except with respect to the conduct of the subscribers' trading in their trading systems.	Market Organization and Structure
1004	<b>Multi-market indexes</b>	Comprised of indexes from different countries, designed to represent multiple security markets.	Security Market Indexes
1005	<b>Multinational corporation</b>	A company operating in more than one country or having subsidiary firms in more than one country.	International Trade and Capital Flows
1006	<b>Multiplication rule for probabilities</b>	The rule that the joint probability of events A and B equals the probability of A given B times the probability of B.	Probability Concepts
1007	<b>Multiplier models</b>	Valuation models based on share price multiples or enterprise value multiples.	Equity Valuation: Concepts and Basic Tools
1008	<b>Multi-step format</b>	With respect to the format of the income statement, a format that presents a subtotal for gross profit (revenue minus cost of goods sold).	Understanding Income Statements
1009	<b>Multivariate distribution</b>	A probability distribution that specifies the probabilities for a group of related random variables.	Common Probability Distributions
1010	<b>Multivariate normal distribution</b>	A probability distribution for a group of random variables that is completely defined by the means and variances of the variables plus all the correlations between pairs of the variables.	Common Probability Distributions
1011	<b>Municipal bonds</b>	A type of non-sovereign bond issued by a state or local government in the United States. It very often (but not always) offers income tax exemptions.	Fixed-Income Markets: Issuance, Trading, and Funding
1012	<b>Munis</b>	A type of non-sovereign bond issued by a state or local government in the United States. It very often (but not always) offers income tax exemptions.	Fixed-Income Markets: Issuance, Trading, and Funding
1013	<b>Mutual fund</b>	A comingled investment pool in which investors in the fund each have a pro-rata claim on the income and value of the fund.	Portfolio Management: An Overview
1014	<b>Mutually exclusive projects</b>	Mutually exclusive projects compete directly with each other. For example, if Projects A and B are mutually exclusive, you can choose A or B, but you cannot choose both.	Capital Budgeting
1015	<b>Narrow money</b>	The notes and coins in circulation in an economy, plus other very highly liquid deposits.	Monetary and Fiscal Policy
1016	<b>Nash equilibrium</b>	When two or more participants in a non-coop-erative game have no incentive to deviate from their respective equilibrium strategies given their opponent's strategies.	The Firm and Market Structures
1017	<b>National income</b>	The income received by all factors of production used in the generation of final output. National income equals gross domestic product (or, in some countries, gross national product) minus the capital consumption allowance and a statistical discrepancy.	Aggregate Output, Prices, and Economic Growth
1018	<b>Natural language processing</b>	Computer programs developed to analyze and interpret human language.	Fintech in Investment Management
1019	<b>Natural rate of unemployment</b>	Effective unemployment rate, below which pressure emerges in labor markets.	Understanding Business Cycles
1020	<b>Negative screening</b>	An ESG investment style that focuses on the exclusion of certain sectors, companies, or practices in a fund or portfolio on the basis of specific ESG criteria.	Basics of Portfolio Planning and Construction
1021	<b>Negative screening</b>	An ESG investment style that focuses on the exclusion of certain sectors, companies, or practices in a fund or portfolio on the basis of specific ESG criteria.	Introduction to Corporate Governance and Other ESG Considerations
1022	<b>Neo-Keynesians</b>	A group of dynamic general equilibrium models that assume slow-to-adjust prices and wages.	Understanding Business Cycles
1023	<b>Net book value</b>	The remaining (undepreciated) balance of an asset's purchase cost. For liabilities, the face value of a bond minus any unamortized discount, or plus any unamortized premium.	Understanding Income Statements
1024	<b>Net exports</b>	The difference between the value of a country's exports and the value of its imports (i.e., value of exports minus imports).	International Trade and Capital Flows

1025	<b>Net income</b>	The difference between revenue and expenses; what remains after subtracting all expenses (including depreciation, interest, and taxes) from revenue.	Understanding Income Statements
1026	<b>Net operating cycle</b>	An estimate of the average time that elapses between paying suppliers for materials and collecting cash from the subsequent sale of goods produced.	Working Capital Management
1027	<b>Net present value</b>	(NPV) The present value of an investment's cash inflows (benefits) minus the present value of its cash outflows (costs).	Capital Budgeting
1028	<b>Net present value</b>	(NPV) The present value of an investment's cash inflows (benefits) minus the present value of its cash outflows (costs).	Cost of Capital
1029	<b>Net profit margin</b>	An indicator of profitability, calculated as net income divided by revenue; indicates how much of each dollar of revenues is left after all costs and expenses.	Understanding Income Statements
1030	<b>Net profit margin</b>	An indicator of profitability, calculated as net income divided by revenue; indicates how much of each dollar of revenues is left after all costs and expenses.	Financial Analysis Techniques
1031	<b>Net realisable value</b>	Estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.	Inventories
1032	<b>Net revenue</b>	Revenue after adjustments (e.g., for estimated returns or for amounts unlikely to be collected).	Understanding Income Statements
1033	<b>Net tax rate</b>	The tax rate net of transfer payments.	Monetary and Fiscal Policy
1034	<b>Neural networks</b>	Computer programs based on how our own brains learn and process information.	Fintech in Investment Management
1035	<b>Neutral rate of interest</b>	The rate of interest that neither spurs on nor slows down the underlying economy.	Monetary and Fiscal Policy
1036	<b>New classical macroeconomics</b>	An approach to macroeconomics that seeks the macroeconomic conclusions of individuals maximizing utility on the basis of rational expectations and companies maximizing profits.	Understanding Business Cycles
1037	<b>New Keynesians</b>	A group of dynamic general equilibrium models that assume slow-to-adjust prices and wages.	Understanding Business Cycles
1038	<b>Node</b>	Each value on a binomial tree from which successive moves or outcomes branch.	Probability Concepts
1039	<b>Node</b>	Each value on a binomial tree from which successive moves or outcomes branch.	Common Probability Distributions
1040	<b>No-load fund</b>	A mutual fund in which there is no fee for investing in the fund or for redeeming fund shares, although there is an annual fee based on a percentage of the fund's net asset value.	Portfolio Management: An Overview
1041	<b>Nominal GDP</b>	The value of goods and services measured at current prices.	Aggregate Output, Prices, and Economic Growth
1042	<b>Nominal rate</b>	A rate of interest based on the security's face value.	Working Capital Management
1043	<b>Nominal risk-free interest rate</b>	The sum of the real risk-free interest rate and the inflation premium.	The Time Value of Money
1044	<b>Nominal scale</b>	A measurement scale that categorizes data but does not rank them.	Statistical Concepts and Market Returns
1045	<b>Non-accelerating inflation rate of unemployment</b>	Effective unemployment rate, below which pressure emerges in labor markets.	Understanding Business Cycles
1046	<b>Non-agency RMBS</b>	In the United States, securities issued by private entities that are not guaranteed by a federal agency or a GSE.	Introduction to Asset-Backed Securities
1047	<b>Nonconventional cash flow</b>	In a nonconventional cash flow pattern, the initial outflow is not followed by inflows only, but the cash flows can flip from positive (inflows) to negative (outflows) again (or even change signs several times).	Capital Budgeting
1048	<b>Non-cumulative preference shares</b>	Preference shares for which dividends that are not paid in the current or subsequent periods are forfeited permanently (instead of being accrued and paid at a later date).	Overview of Equity Securities
1049	<b>Non-current assets</b>	Assets that are expected to benefit the company over an extended period of time (usually more than one year).	Understanding Balance Sheets
1050	<b>Non-current liabilities</b>	Obligations that broadly represent a probable sacrifice of economic benefits in periods generally greater than one year in the future.	Understanding Balance Sheets
1051	<b>Non-current liabilities</b>	Obligations that broadly represent a probable sacrifice of economic benefits in periods generally greater than one year in the future.	Non-Current (Long-Term) Liabilities
1052	<b>Non-cyclical</b>	A company whose performance is largely independent of the business cycle.	Introduction to Industry and Company



			Analysis
1053	<b>Non-deliverable forwards</b>	Cash-settled forward contracts, used predominately with respect to foreign exchange forwards.	Derivative Markets and Instruments
1054	<b>Non-financial risks</b>	Risks that arise from sources other than changes in the external financial markets, such as changes in accounting rules, legal environment, or tax rates.	Introduction to Risk Management
1055	<b>Nonparametric test</b>	A test that is not concerned with a parameter, or that makes minimal assumptions about the population from which a sample comes.	Hypothesis Testing
1056	<b>Non-participating preference shares</b>	Preference shares that do not entitle shareholders to share in the profits of the company. Instead, shareholders are only entitled to receive a fixed dividend payment and the par value of the shares in the event of liquidation.	Overview of Equity Securities
1057	<b>Non-recourse loan</b>	Loan in which the lender does not have a shortfall claim against the borrower, so the lender can look only to the property to recover the outstanding mortgage balance.	Introduction to Asset-Backed Securities
1058	<b>Non-renewable resources</b>	Finite resources that are depleted once they are consumed, such as oil and coal.	Aggregate Output, Prices, and Economic Growth
1059	<b>Non-sovereign bonds</b>	A bond issued by a government below the national level, such as a province, region, state, or city.	Fixed-Income Markets: Issuance, Trading, and Funding
1060	<b>Non-sovereign government bonds</b>	A bond issued by a government below the national level, such as a province, region, state, or city.	Fixed-Income Markets: Issuance, Trading, and Funding
1061	<b>Nonsystematic risk</b>	Unique risk that is local or limited to a particular asset or industry that need not affect assets outside of that asset class.	Basics of Portfolio Planning and Construction
1062	<b>Nonsystematic risk</b>	Unique risk that is local or limited to a particular asset or industry that need not affect assets outside of that asset class.	Portfolio Risk and Return: Part II
1063	<b>Normal distribution</b>	A continuous, symmetric probability distribution that is completely described by its mean and its variance.	Portfolio Risk and Return: Part I
1064	<b>Normal goods</b>	Goods that are consumed in greater quantities as income increases.	Topics in Supply and Demand Analysis
1065	<b>Normal profit</b>	The level of accounting profit needed to just cover the implicit opportunity costs ignored in accounting costs.	Topics in Supply and Demand Analysis
1066	<b>Notching</b>	Ratings adjustment methodology where specific issues from the same borrower may be assigned different credit ratings.	Fundamentals of Credit Analysis
1067	<b>Note rate</b>	The interest rate on a mortgage loan.	Introduction to Asset-Backed Securities
1068	<b>Notice period</b>	The length of time (typically 30–90 days) in advance that investors may be required to notify a fund of their intent to redeem some or all of their investment.	Introduction to Alternative Investments
1069	<b>Notional principal</b>	An imputed principal amount.	Derivative Markets and Instruments
1070	<b>Number of days of inventory</b>	An activity ratio equal to the number of days in a period divided by the inventory ratio for the period; an indication of the number of days a company ties up funds in inventory.	Working Capital Management
1071	<b>Number of days of payables</b>	An activity ratio equal to the number of days in a period divided by the payables turnover ratio for the period; an estimate of the average number of days it takes a company to pay its suppliers.	Working Capital Management
1072	<b>Number of days of receivables</b>	Estimate of the average number of days it takes to collect on credit accounts.	Working Capital Management
1073	<b>Objective probabilities</b>	Probabilities that generally do not vary from person to person; includes a priori and objective probabilities.	Probability Concepts
1074	<b>Offer</b>	The price at which a dealer or trader is willing to sell an asset, typically qualified by a maximum quantity (ask size).	Market Organization and Structure
1075	<b>Official interest rate</b>	An interest rate that a central bank sets and announces publicly; normally the rate at which it is willing to lend money to the commercial banks.	Monetary and Fiscal Policy
1076	<b>Official policy rate</b>	An interest rate that a central bank sets and announces publicly; normally the rate at which it is willing to lend money to the commercial banks.	Monetary and Fiscal Policy
1077	<b>Off-the-run</b>	Seasoned government bonds are off-the-run securities; they are not the most recently issued or the most actively traded.	Introduction to Fixed-Income Valuation
1078	<b>Oligopoly</b>	Market structure with a relatively small number of firms supplying the market.	The Firm and Market Structures

1079	<b>One-sided hypothesis test</b>	A test in which the null hypothesis is rejected only if the evidence indicates that the population parameter is greater than (smaller than) $\theta_0$ . The alternative hypothesis also has one side.	Hypothesis Testing
1080	<b>One-tailed hypothesis test</b>	A test in which the null hypothesis is rejected only if the evidence indicates that the population parameter is greater than (smaller than) $\theta_0$ . The alternative hypothesis also has one side.	Hypothesis Testing
1081	<b>On-the-run</b>	The most recently issued and most actively traded sovereign securities.	Fixed-Income Markets: Issuance, Trading, and Funding
1082	<b>On-the-run</b>	The most recently issued and most actively traded sovereign securities.	Introduction to Fixed-Income Valuation
1083	<b>Open economy</b>	An economy that trades with other countries.	International Trade and Capital Flows
1084	<b>Open-end fund</b>	A mutual fund that accepts new investment money and issues additional shares at a value equal to the net asset value of the fund at the time of investment.	Portfolio Management: An Overview
1085	<b>Open interest</b>	The number of outstanding contracts in a clearinghouse at any given time. The open interest figure changes daily as some parties open up new positions, while other parties offset their old positions.	Derivative Markets and Instruments
1086	<b>Open market operations</b>	The purchase or sale of bonds by the national central bank to implement monetary policy. The bonds traded are usually sovereign bonds issued by the national government.	Fixed-Income Markets: Issuance, Trading, and Funding
1087	<b>Open market operations</b>	The purchase or sale of bonds by the national central bank to implement monetary policy. The bonds traded are usually sovereign bonds issued by the national government.	Monetary and Fiscal Policy
1088	<b>Operating activities</b>	Activities that are part of the day-to-day business functioning of an entity, such as selling inventory and providing services.	Understanding Cash Flow Statements
1089	<b>Operating breakeven</b>	The number of units produced and sold at which the company's operating profit is zero (revenues = operating costs).	Introduction to Financial Statement Analysis
1090	<b>Operating cash flow</b>	The net amount of cash provided from operating activities.	Understanding Cash Flow Statements
1091	<b>Operating cycle</b>	A measure of the time needed to convert raw materials into cash from a sale; it consists of the number of days of inventory and the number of days of receivables.	Working Capital Management
1092	<b>Operating efficiency ratios</b>	Ratios that measure how efficiently a company performs day-to-day tasks, such as the collection of receivables and management of inventory.	Financial Analysis Techniques
1093	<b>Operating lease</b>	An agreement allowing a lessee to use some asset for a period of time; essentially a rental.	Cost of Capital
1094	<b>Operating lease</b>	An agreement allowing a lessee to use some asset for a period of time; essentially a rental.	Non-Current (Long-Term) Liabilities
1095	<b>Operating leverage</b>	The use of fixed costs in operations.	Financial Analysis Techniques
1096	<b>Operating profit margin</b>	A profitability ratio calculated as operating income (i.e., income before interest and taxes) divided by revenue.	Financial Analysis Techniques
1097	<b>Operating profit margin</b>	A profitability ratio calculated as operating income (i.e., income before interest and taxes) divided by revenue.	Understanding Income Statements
1098	<b>Operating profit</b>	A company's profits on its usual business activities before deducting taxes.	Understanding Income Statements
1099	<b>Operating risk</b>	The risk attributed to the operating cost structure, in particular the use of fixed costs in operations; the risk arising from the mix of fixed and variable costs; the risk that a company's operations may be severely affected by environmental, social, and governance risk factors.	Cost of Capital
1100	<b>Operating risk</b>	The risk attributed to the operating cost structure, in particular the use of fixed costs in operations; the risk arising from the mix of fixed and variable costs; the risk that a company's operations may be severely affected by environmental, social, and governance risk factors.	Measures of Leverage
1101	<b>Operational independence</b>	A bank's ability to execute monetary policy and set interest rates in the way it thought would best meet the inflation target.	Monetary and Fiscal Policy
1102	<b>Operationally efficient</b>	Said of a market, a financial system, or an economy that has relatively low transaction costs.	Market Organization and Structure
1103	<b>Operational risk</b>	The risk that arises from inadequate or failed people, systems, and internal policies, procedures, and processes, as well as from external events that are beyond the control of the organization but that affect its operations.	Introduction to Risk Management
1104	<b>Opportunity cost</b>	The value that investors forgo by choosing a particular course of action; the value of something in its best alternative use.	The Firm and Market Structures

1105	<b>Opportunity cost</b>	The value that investors forgo by choosing a particular course of action; the value of something in its best alternative use.	Topics in Supply and Demand Analysis
1106	<b>Opportunity cost</b>	The value that investors forgo by choosing a particular course of action; the value of something in its best alternative use.	Capital Budgeting
1107	<b>Opportunity cost</b>	The value that investors forgo by choosing a particular course of action; the value of something in its best alternative use.	The Time Value of Money
1108	<b>Option-adjusted price</b>	The value of the embedded option plus the flat price of the bond.	Introduction to Fixed-Income Valuation
1109	<b>Option-adjusted spread</b>	OAS = Z-spread – Option value (in basis points per year).	Introduction to Fixed-Income Valuation
1110	<b>Option-adjusted yield</b>	The required market discount rate whereby the price is adjusted for the value of the embedded option.	Introduction to Fixed-Income Valuation
1111	<b>Option contract</b>	A financial instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specific period of time.	Market Organization and Structure
1112	<b>Option</b>	A financial instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specific period of time.	Basics of Derivative Pricing and Valuation
1113	<b>Option</b>	A financial instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specific period of time.	Derivative Markets and Instruments
1114	<b>Option</b>	A financial instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specific period of time.	Market Organization and Structure
1115	<b>Option premium</b>	The amount of money a buyer pays and seller receives to engage in an option transaction.	Derivative Markets and Instruments
1116	<b>Order-driven markets</b>	A market (generally an auction market) that uses rules to arrange trades based on the orders that traders submit; in their pure form, such markets do not make use of dealers.	Market Organization and Structure
1117	<b>Order</b>	A specification of what instrument to trade, how much to trade, and whether to buy or sell.	Market Organization and Structure
1118	<b>Order precedence hierarchy</b>	With respect to the execution of orders to trade, a set of rules that determines which orders execute before other orders.	Market Organization and Structure
1119	<b>Ordinal scale</b>	A measurement scale that sorts data into categories that are ordered (ranked) with respect to some characteristic.	Statistical Concepts and Market Returns
1120	<b>Ordinary annuity</b>	An annuity with a first cash flow that is paid one period from the present.	The Time Value of Money
1121	<b>Ordinary shares</b>	Equity shares that are subordinate to all other types of equity (e.g., preferred equity).	Understanding Income Statements
1122	<b>Organized exchange</b>	A securities marketplace where buyers and seller can meet to arrange their trades.	Fixed-Income Markets: Issuance, Trading, and Funding
1123	<b>Other comprehensive income</b>	Items of comprehensive income that are not reported on the income statement; comprehensive income minus net income.	Understanding Income Statements
1124	<b>Outcome</b>	A possible value of a random variable.	Probability Concepts
1125	<b>Out-of-sample test</b>	A test of a strategy or model using a sample outside the time period on which the strategy or model was developed.	Sampling and Estimation
1126	<b>Out of the money</b>	Options that, if exercised, would require the payment of more money than the value received and therefore would not be currently exercised.	Basics of Derivative Pricing and Valuation
1127	<b>Out of the money</b>	Options that, if exercised, would require the payment of more money than the value received and therefore would not be currently exercised.	Derivative Markets and Instruments
1128	<b>Overbought</b>	A market condition in which market sentiment is thought to be unsustainably bullish.	Technical Analysis
1129	<b>Overcollateralization</b>	Form of internal credit enhancement that refers to the process of posting more collateral than needed to obtain or secure financing.	Fixed-Income Securities: Defining Elements
1130	<b>Overfitting</b>	An undesirable result from fitting a model so closely to a dataset that it does not perform well on new data.	Fintech in Investment Management
1131	<b>Overlay/portfolio tilt</b>	An ESG investment style that focuses on the use of certain investment strategies or products to change specific aggregate ESG characteristics of a fund or investment portfolio to a desired level (e.g., tilting an investment portfolio toward a desired carbon footprint).	Introduction to Corporate Governance and Other ESG Considerations

1132	<b>Oversold</b>	A market condition in which market sentiment is thought to be unsustainably bearish.	Technical Analysis
1133	<b>Over-the-counter (OTC) markets</b>	A decentralized market where buy and sell orders initiated from various locations are matched through a communications network.	Fixed-Income Markets: Issuance, Trading, and Funding
1134	<b>Owners' equity</b>	The excess of assets over liabilities; the residual interest of shareholders in the assets of an entity after deducting the entity's liabilities.	Introduction to Financial Statement Analysis
1135	<b>Owners' equity</b>	The excess of assets over liabilities; the residual interest of shareholders in the assets of an entity after deducting the entity's liabilities.	Understanding Balance Sheets
1136	<b>Own-price elasticity of demand</b>	The percentage change in quantity demanded for a percentage change in good's own price, holding all other things constant.	Topics in Supply and Demand Analysis
1137	<b>Own price</b>	The price of a good or service itself (as opposed to the price of something else).	Topics in Supply and Demand Analysis
1138	<b>Paasche index</b>	An index formula using the current composition of a basket of products.	Understanding Business Cycles
1139	<b>Paired comparisons test</b>	A statistical test for differences based on paired observations drawn from samples that are dependent on each other.	Hypothesis Testing
1140	<b>Paired observations</b>	Observations that are dependent on each other.	Hypothesis Testing
1141	<b>Pairs arbitrage trade</b>	A trade in two closely related stocks involving the short sale of one and the purchase of the other.	Probability Concepts
1142	<b>Panel data</b>	Observations through time on a single characteristic of multiple observational units.	Sampling and Estimation
1143	<b>Parallel shift</b>	A parallel yield curve shift implies that all rates change by the same amount in the same direction.	Understanding Fixed-Income Risk and Return
1144	<b>Parameter</b>	A descriptive measure computed from or used to describe a population of data, conventionally represented by Greek letters.	Sampling and Estimation
1145	<b>Parameter</b>	A descriptive measure computed from or used to describe a population of data, conventionally represented by Greek letters.	Statistical Concepts and Market Returns
1146	<b>Parametric test</b>	Any test (or procedure) concerned with parameters or whose validity depends on assumptions concerning the population generating the sample.	Hypothesis Testing
1147	<b>Par curve</b>	A sequence of yields-to-maturity such that each bond is priced at par value. The bonds are assumed to have the same currency, credit risk, liquidity, tax status, and annual yields stated for the same periodicity.	Introduction to Fixed-Income Valuation
1148	<b>Pari passu</b>	On an equal footing.	Fundamentals of Credit Analysis
1149	<b>Partial duration</b>	A method of measuring the interest rate sensitivities of a fixed-income instrument or portfolio to shifts in key points along the yield curve.	Understanding Fixed-Income Risk and Return
1150	<b>Participating preference shares</b>	Preference shares that entitle shareholders to receive the standard preferred dividend plus the opportunity to receive an additional dividend if the company's profits exceed a pre-specified level.	Overview of Equity Securities
1151	<b>Par value</b>	The amount of principal on a bond.	Introduction to Fixed-Income Valuation
1152	<b>Passive investment</b>	A buy and hold approach in which an investor does not make portfolio changes based on short-term expectations of changing market or security performance.	Market Efficiency
1153	<b>Passive strategy</b>	In reference to short-term cash management, it is an investment strategy characterized by simple decision rules for making daily investments.	Working Capital Management
1154	<b>Pass-through rate</b>	The coupon rate of a mortgage pass-through security.	Introduction to Asset-Backed Securities
1155	<b>Payable date</b>	The day that the company actually mails out (or electronically transfers) a dividend payment.	Equity Valuation: Concepts and Basic Tools
1156	<b>Payback period</b>	the number of years required to recover the original investment in a project. The payback is based on cash flows.	Capital Budgeting
1157	<b>Payment date</b>	The day that the company actually mails out (or electronically transfers) a dividend payment.	Equity Valuation: Concepts and Basic Tools
1158	<b>Payments system</b>	The system for the transfer of money.	Monetary and Fiscal Policy
1159	<b>Peak</b>	The highest point of a business cycle.	Understanding Business Cycles

1160	<b>Peer group</b>	A group of companies engaged in similar business activities whose economics and valuation are influenced by closely related factors.	Introduction to Industry and Company Analysis
1161	<b>Pennants</b>	A technical analysis continuation pattern formed by trendlines that converge to form a triangle, typically over a short period.	Technical Analysis
1162	<b>Per capita real GDP</b>	Real GDP divided by the size of the population, often used as a measure of the average standard of living in a country.	Aggregate Output, Prices, and Economic Growth
1163	<b>Percentiles</b>	Quantiles that divide a distribution into 100 equal parts.	Statistical Concepts and Market Returns
1164	<b>Perfect competition</b>	A market structure in which the individual firm has virtually no impact on market price, because it is assumed to be a very small seller among a very large number of firms selling essentially identical products.	The Firm and Market Structures
1165	<b>Perfectly elastic</b>	When the quantity demanded or supplied of a given good is infinitely sensitive to a change in the value of a specified variable (e.g., price).	Topics in Supply and Demand Analysis
1166	<b>Perfectly inelastic</b>	When the quantity demanded or supplied of a given good is completely insensitive to a change in the value of a specified variable (e.g., price).	Topics in Supply and Demand Analysis
1167	<b>Performance bond</b>	A cash deposit required by the clearinghouse from the participants to a contract to provide a credit guarantee.	Derivative Markets and Instruments
1168	<b>Performance evaluation</b>	The measurement and assessment of the outcomes of investment management decisions.	Portfolio Risk and Return: Part II
1169	<b>Performance fee</b>	Fees paid to the general partner from the limited partner(s) based on realized net profits.	Introduction to Alternative Investments
1170	<b>Period costs</b>	Costs (e.g., executives' salaries) that cannot be directly matched with the timing of revenues and which are thus expensed immediately.	Understanding Income Statements
1171	<b>Periodicity</b>	The assumed number of periods in the year, typically matches the frequency of coupon payments.	Introduction to Fixed-Income Valuation
1172	<b>Permanent differences</b>	Differences between tax and financial reporting of revenue (expenses) that will not be reversed at some future date. These result in a difference between the company's effective tax rate and statutory tax rate and do not result in a deferred tax item.	Income Taxes
1173	<b>Permissioned networks</b>	Networks that are fully open only to select participants on a DLT network.	Fintech in Investment Management
1174	<b>Permissionless networks</b>	Networks that are fully open to any user on a DLT network.	Fintech in Investment Management
1175	<b>Permutation</b>	An ordered listing.	Probability Concepts
1176	<b>Perpetual bonds</b>	Bonds with no stated maturity date.	Fixed-Income Securities: Defining Elements
1177	<b>Perpetuity</b>	A perpetual annuity, or a set of never-ending level sequential cash flows, with the first cash flow occurring one period from now. A bond that does not mature.	The Time Value of Money
1178	<b>Perpetuity</b>	A perpetual annuity, or a set of never-ending level sequential cash flows, with the first cash flow occurring one period from now. A bond that does not mature.	Understanding Fixed-Income Risk and Return
1179	<b>Personal consumption expenditures</b>	All domestic personal consumption; the basis for a price index for such consumption called the PCE price index.	Understanding Business Cycles
1180	<b>Personal disposable income</b>	Equal to personal income less personal taxes.	Aggregate Output, Prices, and Economic Growth
1181	<b>Personal income</b>	A broad measure of household income that includes all income received by households, whether earned or unearned; measures the ability of consumers to make purchases.	Aggregate Output, Prices, and Economic Growth
1182	<b>Per unit contribution margin</b>	The amount that each unit sold contributes to covering fixed costs—that is, the difference between the price per unit and the variable cost per unit.	Measures of Leverage
1183	<b>Plain vanilla bond</b>	Bond that makes periodic, fixed coupon payments during the bond's life and a lump-sum payment of principal at maturity.	Fixed-Income Securities: Defining Elements
1184	<b>Platykurtic</b>	Describes a distribution that has relatively less weight in the tails than the normal distribution.	Statistical Concepts and Market Returns
1185	<b>Point and figure chart</b>	A technical analysis chart that is constructed with columns of X's alternating with columns of O's such that the horizontal axis represents only the number of changes in price without reference to time or volume.	Technical Analysis

1186	<b>Point estimate</b>	A single numerical estimate of an unknown quantity, such as a population parameter.	Sampling and Estimation
1187	<b>Point of sale (POS)</b>	Systems that capture transaction data at the physical location in which the sale is made.	Working Capital Management
1188	<b>Policy rate</b>	An interest rate that a central bank sets and announces publicly; normally the rate at which it is willing to lend money to the commercial banks.	Monetary and Fiscal Policy
1189	<b>Population mean</b>	The arithmetic mean value of a population; the arithmetic mean of all the observations or values in the population.	Statistical Concepts and Market Returns
1190	<b>Population</b>	All members of a specified group.	Statistical Concepts and Market Returns
1191	<b>Population standard deviation</b>	A measure of dispersion relating to a population in the same unit of measurement as the observations, calculated as the positive square root of the population variance.	Statistical Concepts and Market Returns
1192	<b>Population variance</b>	A measure of dispersion relating to a population, calculated as the mean of the squared deviations around the population mean.	Statistical Concepts and Market Returns
1193	<b>Portfolio company</b>	In private equity, the company in which the private equity fund is investing.	Introduction to Alternative Investments
1194	<b>Portfolio demand for money</b>	The demand to hold speculative money balances based on the potential opportunities or risks that are inherent in other financial instruments.	Monetary and Fiscal Policy
1195	<b>Portfolio planning</b>	The process of creating a plan for building a portfolio that is expected to satisfy a client's investment objectives.	Basics of Portfolio Planning and Construction
1196	<b>Position</b>	The quantity of an asset that an entity owns or owes.	Market Organization and Structure
1197	<b>Positive screening</b>	An ESG investment style that focuses on the inclusion of certain sectors, companies, or practices in a fund or portfolio on the basis of specific minimum ESG criteria.	Introduction to Corporate Governance and Other ESG Considerations
1198	<b>Posterior probability</b>	An updated probability that reflects or comes after new information.	Probability Concepts
1199	<b>Potential GDP</b>	The level of real GDP that can be produced at full employment; measures the productive capacity of the economy.	Aggregate Output, Prices, and Economic Growth
1200	<b>Power of a test</b>	The probability of correctly rejecting the null—that is, rejecting the null hypothesis when it is false.	Hypothesis Testing
1201	<b>Precautionary money balances</b>	Money held to provide a buffer against unforeseen events that might require money.	Monetary and Fiscal Policy
1202	<b>Precautionary stocks</b>	A level of inventory beyond anticipated needs that provides a cushion in the event that it takes longer to replenish inventory than expected or in the case of greater than expected demand.	Working Capital Management
1203	<b>Preference shares</b>	A type of equity interest which ranks above common shares with respect to the payment of dividends and the distribution of the company's net assets upon liquidation. They have characteristics of both debt and equity securities.	Overview of Equity Securities
1204	<b>Preferred stock</b>	A type of equity interest which ranks above common shares with respect to the payment of dividends and the distribution of the company's net assets upon liquidation. They have characteristics of both debt and equity securities.	Equity Valuation: Concepts and Basic Tools
1205	<b>Premium</b>	In the case of bonds, premium refers to the amount by which a bond is priced above its face (par) value. In the case of an option, the amount paid for the option contract.	Introduction to Fixed-Income Valuation
1206	<b>Prepaid expense</b>	A normal operating expense that has been paid in advance of when it is due.	Understanding Balance Sheets
1207	<b>Prepayment option</b>	Contractual provision that entitles the borrower to prepay all or part of the outstanding mortgage principal prior to the scheduled due date when the principal must be repaid.	Introduction to Asset-Backed Securities
1208	<b>Prepayment penalty mortgages</b>	Mortgages that stipulate a monetary penalty if a borrower prepays within a certain time period after the mortgage is originated.	Introduction to Asset-Backed Securities
1209	<b>Prepayment risk</b>	The uncertainty that the timing of the actual cash flows will be different from the scheduled cash flows as set forth in the loan agreement due to the borrowers' ability to alter payments, usually to take advantage of interest rate movements.	Introduction to Asset-Backed Securities
1210	<b>Present value models</b>	Valuation models that estimate the intrinsic value of a security as the present value of the future benefits expected to be received from the security.	Equity Valuation: Concepts and Basic Tools
1211	<b>Present value (PV)</b>	The present discounted value of future cash flows: For assets, the present discounted value of the future net cash inflows that the asset is expected to generate; for liabilities, the present discounted value of the future net cash outflows that are expected to be required to settle the liabilities.	The Time Value of Money

1212	<b>Present value (PV)</b>	The present discounted value of future cash flows: For assets, the present discounted value of the future net cash inflows that the asset is expected to generate; for liabilities, the present discounted value of the future net cash outflows that are expected to be required to settle the liabilities.	Financial Reporting Standards
1213	<b>Pretax margin</b>	A profitability ratio calculated as earnings before taxes divided by revenue.	Understanding Income Statements
1214	<b>Pretax margin</b>	A profitability ratio calculated as earnings before taxes divided by revenue.	Financial Analysis Techniques
1215	<b>Priced risk</b>	Risk for which investors demand compensation for bearing (e.g. equity risk, company-specific factors, macroeconomic factors).	Cost of Capital
1216	<b>Price elasticity of demand</b>	Measures the percentage change in the quantity demanded, given a percentage change in the price of a given product.	The Firm and Market Structures
1217	<b>Price index</b>	Represents the average prices of a basket of goods and services.	Understanding Business Cycles
1218	<b>Price index</b>	Represents the average prices of a basket of goods and services.	Security Market Indexes
1219	<b>Price limits</b>	Limits imposed by a futures exchange on the price change that can occur from one day to the next.	Derivative Markets and Instruments
1220	<b>Price multiple</b>	A ratio that compares the share price with some sort of monetary flow or value to allow evaluation of the relative worth of a company's stock.	Equity Valuation: Concepts and Basic Tools
1221	<b>Price priority</b>	The principle that the highest priced buy orders and the lowest priced sell orders execute first.	Market Organization and Structure
1222	<b>Price relative</b>	A ratio of an ending price over a beginning price; it is equal to 1 plus the holding period return on the asset.	Common Probability Distributions
1223	<b>Price return index</b>	An index that reflects only the price appreciation or percentage change in price of the constituent securities.	Security Market Indexes
1224	<b>Price return</b>	Measures only the price appreciation or percentage change in price of the securities in an index or portfolio.	Security Market Indexes
1225	<b>Price stability</b>	In economics, refers to an inflation rate that is low on average and not subject to wide fluctuation.	Monetary and Fiscal Policy
1226	<b>Price takers</b>	Producers that must accept whatever price the market dictates.	The Firm and Market Structures
1227	<b>Price to book value</b>	A valuation ratio calculated as price per share divided by book value per share.	Financial Analysis Techniques
1228	<b>Price to cash flow</b>	A valuation ratio calculated as price per share divided by cash flow per share.	Financial Analysis Techniques
1229	<b>Price to earnings ratio</b>	(P/E ratio or P/E) The ratio of share price to earnings per share.	Financial Analysis Techniques
1230	<b>Price to sales</b>	A valuation ratio calculated as price per share divided by sales per share.	Financial Analysis Techniques
1231	<b>Price value of a basis point</b>	A version of money duration, it is an estimate of the change in the full price of a bond given a 1 basis point change in the yield-to-maturity.	Understanding Fixed-Income Risk and Return
1232	<b>Price weighting</b>	An index weighting method in which the weight assigned to each constituent security is determined by dividing its price by the sum of all the prices of the constituent securities.	Security Market Indexes
1233	<b>Primary bond markets</b>	Markets in which issuers first sell bonds to investors to raise capital.	Fixed-Income Markets: Issuance, Trading, and Funding
1234	<b>Primary capital markets (primary markets)</b>	The market where securities are first sold and the issuers receive the proceeds.	Market Organization and Structure
1235	<b>Primary dealers</b>	Financial institutions that are authorized to deal in new issues of sovereign bonds and that serve primarily as trading counterparties of the office responsible for issuing sovereign bonds.	Fixed-Income Markets: Issuance, Trading, and Funding
1236	<b>Primary market</b>	The market where securities are first sold and the issuers receive the proceeds.	Market Organization and Structure
1237	<b>Prime brokers</b>	Brokers that provide services that commonly include custody, administration, lending, short borrowing, and trading.	Introduction to Alternative Investments
1238	<b>Principal-agent relationship</b>	A relationship in which a principal hires an agent to perform a particular task or service.	Introduction to Corporate Governance and Other ESG Considerations
1239	<b>Principal amount</b>	Amount that an issuer agrees to repay the debt holders on the maturity date.	Fixed-Income Securities: Defining Elements

1240	<b>Principal business activity</b>	The business activity from which a company derives a majority of its revenues and/or earnings.	Introduction to Industry and Company Analysis
1241	<b>Principal</b>	The amount of funds originally invested in a project or instrument; the face value to be paid at maturity.	Fixed-Income Securities: Defining Elements
1242	<b>Principal</b>	The amount of funds originally invested in a project or instrument; the face value to be paid at maturity.	The Time Value of Money
1243	<b>Principal value</b>	Amount that an issuer agrees to repay the debt holders on the maturity date.	Fixed-Income Securities: Defining Elements
1244	<b>Principle of no arbitrage</b>	The overall process of pricing derivatives by arbitrage and risk neutrality.	Basics of Derivative Pricing and Valuation
1245	<b>Priority of claims</b>	Priority of payment, with the most senior or highest ranking debt having the first claim on the cash flows and assets of the issuer.	Fundamentals of Credit Analysis
1246	<b>Prior probabilities</b>	Probabilities reflecting beliefs prior to the arrival of new information.	Probability Concepts
1247	<b>Private equity fund</b>	A hedge fund that seeks to buy, optimize, and ultimately sell portfolio companies to generate profits.	Portfolio Management: An Overview
1248	<b>Private equity securities</b>	Securities that are not listed on public exchanges and have no active secondary market. They are issued primarily to institutional investors via non-public offerings, such as private placements.	Overview of Equity Securities
1249	<b>Private investment in public equity</b>	(PIPE) An investment in the equity of a publicly traded firm that is made at a discount to the market value of the firm's shares.	Overview of Equity Securities
1250	<b>Private placement</b>	Typically, a non-underwritten, unregistered offering of securities that are sold only to an investor or a small group of investors. It can be accomplished directly between the issuer and the investor(s) or through an investment bank.	Fixed-Income Markets: Issuance, Trading, and Funding
1251	<b>Private placement</b>	Typically, a non-underwritten, unregistered offering of securities that are sold only to an investor or a small group of investors. It can be accomplished directly between the issuer and the investor(s) or through an investment bank.	Market Organization and Structure
1252	<b>Probability density function</b>	A function with non-negative values such that probability can be described by areas under the curve graphing the function.	Common Probability Distributions
1253	<b>Probability distribution</b>	A distribution that specifies the probabilities of a random variable's possible outcomes.	Common Probability Distributions
1254	<b>Probability function</b>	A function that specifies the probability that the random variable takes on a specific value.	Common Probability Distributions
1255	<b>Probability</b>	A number between 0 and 1 describing the chance that a stated event will occur.	Probability Concepts
1256	<b>Producer price index</b>	Reflects the price changes experienced by domestic producers in a country.	Understanding Business Cycles
1257	<b>Production function</b>	Provides the quantitative link between the levels of output that the economy can produce and the inputs used in the production process.	Aggregate Output, Prices, and Economic Growth
1258	<b>Productivity</b>	The amount of output produced by workers in a given period of time—for example, output per hour worked; measures the efficiency of labor.	Aggregate Output, Prices, and Economic Growth
1259	<b>Profession</b>	An occupational group that has specific education, expert knowledge, and a framework of practice and behavior that underpins community trust, respect, and recognition.	Ethics and Trust in the Investment Profession
1260	<b>Profitability index</b>	(PI) For a simple project, the PI is the present value of a project's future cash flows divided by the initial investment.	Capital Budgeting
1261	<b>Profitability ratios</b>	Ratios that measure a company's ability to generate profitable sales from its resources (assets).	Financial Analysis Techniques
1262	<b>Profit and loss (P&amp;L) statement</b>	A financial statement that provides information about a company's profitability over a stated period of time.	Introduction to Financial Statement Analysis
1263	<b>Profit margin</b>	An indicator of profitability, calculated as net income divided by revenue; indicates how much of each dollar of revenues is left after all costs and expenses.	Understanding Income Statements
1264	<b>Profit</b>	The return that owners of a company receive for the use of their capital and the assumption of financial risk when making their investments.	Aggregate Output, Prices, and Economic Growth
1265	<b>Project sequencing</b>	To defer the decision to invest in a future project until the outcome of some or all of a current project is known. Projects are sequenced through time, so that investing in a project creates the option to invest in future projects.	Capital Budgeting



1266	<b>Promissory note</b>	A written promise to pay a certain amount of money on demand.	Monetary and Fiscal Policy
1267	<b>Property, plant, and equipment</b>	Tangible assets that are expected to be used for more than one period in either the production or supply of goods or services, or for administrative purposes.	Long-Lived Assets
1268	<b>Property, plant, and equipment</b>	Tangible assets that are expected to be used for more than one period in either the production or supply of goods or services, or for administrative purposes.	Understanding Balance Sheets
1269	<b>Prospectus</b>	The document that describes the terms of a new bond issue and helps investors perform their analysis on the issue.	Fundamentals of Credit Analysis
1270	<b>Protective put</b>	An option strategy in which a long position in an asset is combined with a long position in a put.	Basics of Derivative Pricing and Valuation
1271	<b>Proxy contest</b>	Corporate takeover mechanism in which shareholders are persuaded to vote for a group seeking a controlling position on a company's board of directors.	Introduction to Corporate Governance and Other ESG Considerations
1272	<b>Proxy voting</b>	A process that enables shareholders who are unable to attend a meeting to authorize another individual to vote on their behalf.	Introduction to Corporate Governance and Other ESG Considerations
1273	<b>Pseudo-random numbers</b>	Numbers produced by random number generators.	Common Probability Distributions
1274	<b>Public offering</b>	An offering of securities in which any member of the public may buy the securities.	Fixed-Income Markets: Issuance, Trading, and Funding
1275	<b>Public offer</b>	An offering of securities in which any member of the public may buy the securities.	Fixed-Income Markets: Issuance, Trading, and Funding
1276	<b>Pull on liquidity</b>	When disbursements are paid too quickly or trade credit availability is limited, requiring companies to expend funds before they receive funds from sales that could cover the liability.	Working Capital Management
1277	<b>Pure discount bonds</b>	Bonds that do not pay interest during the bond's life. It is issued at a discount to par value and redeemed at par.	Fixed-Income Securities: Defining Elements
1278	<b>Pure-play method</b>	A method for estimating the beta for a company or project; it requires using a comparable company's beta and adjusting it for financial leverage differences.	Cost of Capital
1279	<b>Putable bonds</b>	Bonds that give the bondholder the right to sell the bond back to the issuer at a predetermined price on specified dates.	Fixed-Income Securities: Defining Elements
1280	<b>Put–call–forward parity</b>	The relationship among puts, calls, and forward contracts.	Basics of Derivative Pricing and Valuation
1281	<b>Put–call parity</b>	An equation expressing the equivalence (parity) of a portfolio of a call and a bond with a portfolio of a put and the underlying, which leads to the relationship between put and call prices.	Basics of Derivative Pricing and Valuation
1282	<b>Put/call ratio</b>	A technical analysis indicator that evaluates market sentiment based upon the volume of put options traded divided by the volume of call options traded for a particular financial instrument.	Technical Analysis
1283	<b>Put option</b>	An option that gives the holder the right to sell an underlying asset to another party at a fixed price over a specific period of time.	Derivative Markets and Instruments
1284	<b>Put</b>	An option that gives the holder the right to sell an underlying asset to another party at a fixed price over a specific period of time.	Market Organization and Structure
1285	<b>Put</b>	An option that gives the holder the right to sell an underlying asset to another party at a fixed price over a specific period of time.	Derivative Markets and Instruments
1286	<b>Quantile</b>	A value at or below which a stated fraction of the data lies.	Statistical Concepts and Market Returns
1287	<b>Quantitative easing</b>	An expansionary monetary policy based on aggressive open market purchase operations.	Monetary and Fiscal Policy
1288	<b>Quantity equation of exchange</b>	An expression that over a given period, the amount of money used to purchase all goods and services in an economy, $M \times V$ , is equal to monetary value of this output, $P \times Y$ .	Monetary and Fiscal Policy
1289	<b>Quantity theory of money</b>	Asserts that total spending (in money terms) is proportional to the quantity of money.	Monetary and Fiscal Policy
1290	<b>Quartiles</b>	Quartiles that divide a distribution into four equal parts.	Statistical Concepts and Market Returns

1291	<b>Quasi-fixed cost</b>	A cost that stays the same over a range of production but can change to another constant level when production moves outside of that range.	Topics in Supply and Demand Analysis
1292	<b>Quasi-government bonds</b>	A bond issued by an entity that is either owned or sponsored by a national government.	Fixed-Income Markets: Issuance, Trading, and Funding
1293	<b>Quick assets</b>	Assets that can be most readily converted to cash (e.g., cash, short-term marketable investments, receivables).	Working Capital Management
1294	<b>Quick ratio</b>	A stringent measure of liquidity that indicates a company's ability to satisfy current liabilities with its most liquid assets, calculated as (cash + short-term marketable investments + receivables) divided by current liabilities.	Working Capital Management
1295	<b>Quintiles</b>	Quantiles that divide a distribution into five equal parts.	Statistical Concepts and Market Returns
1296	<b>Quota rents</b>	Profits that foreign producers can earn by raising the price of their goods higher than they would without a quota.	International Trade and Capital Flows
1297	<b>Quotas</b>	Government policies that restrict the quantity of a good that can be imported into a country, generally for a specified period of time.	International Trade and Capital Flows
1298	<b>Quoted interest rate</b>	A quoted interest rate that does not account for compounding within the year.	The Time Value of Money
1299	<b>Quoted margin</b>	The specified yield spread over the reference rate, used to compensate an investor for the difference in the credit risk of the issuer and that implied by the reference rate.	Introduction to Fixed-Income Valuation
1300	<b>Quote-driven market</b>	A market in which dealers acting as principals facilitate trading.	Market Organization and Structure
1301	<b>Random number generator</b>	An algorithm that produces uniformly distributed random numbers between 0 and 1.	Common Probability Distributions
1302	<b>Random number</b>	An observation drawn from a uniform distribution.	Common Probability Distributions
1303	<b>Random variable</b>	A quantity whose future outcomes are uncertain.	Probability Concepts
1304	<b>Random variable</b>	A quantity whose future outcomes are uncertain.	Common Probability Distributions
1305	<b>Range</b>	The difference between the maximum and minimum values in a dataset.	Statistical Concepts and Market Returns
1306	<b>Ratio scales</b>	A measurement scale that has all the characteristics of interval measurement scales as well as a true zero point as the origin.	Statistical Concepts and Market Returns
1307	<b>Real GDP</b>	The value of goods and services produced, measured at base year prices.	Aggregate Output, Prices, and Economic Growth
1308	<b>Real income</b>	Income adjusted for the effect of inflation on the purchasing power of money. Also known as the purchasing power of income. If income remains constant and a good's price falls, real income is said to rise, even though the number of monetary units (e.g., dollars) remains unchanged.	Topics in Supply and Demand Analysis
1309	<b>Real interest rate</b>	Nominal interest rate minus the expected rate of inflation.	Aggregate Output, Prices, and Economic Growth
1310	<b>Realizable (settlement) value</b>	With reference to assets, the amount of cash or cash equivalents that could currently be obtained by selling the asset in an orderly disposal; with reference to liabilities, the undiscounted amount of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.	Financial Reporting Standards
1311	<b>Real risk-free interest rate</b>	The single-period interest rate for a completely risk-free security if no inflation were expected.	The Time Value of Money
1312	<b>Rebalancing</b>	Adjusting the weights of the constituent securities in an index.	Security Market Indexes
1313	<b>Rebalancing policy</b>	The set of rules that guide the process of restoring a portfolio's asset class weights to those specified in the strategic asset allocation.	Basics of Portfolio Planning and Construction
1314	<b>Recession</b>	A period during which real GDP decreases (i.e., negative growth) for at least two successive quarters, or a period of significant decline in total output, income, employment, and sales usually lasting from six months to a year.	Aggregate Output, Prices, and Economic Growth
1315	<b>Recession</b>	A period during which real GDP decreases (i.e., negative growth) for at least two successive quarters, or a period of significant decline in total output, income, employment, and sales usually lasting from six months to a year.	Understanding Business Cycles
1316	<b>Recognition lag</b>	The lag in government response to an economic problem resulting from the delay in confirming a change in the state of the economy.	Monetary and Fiscal Policy

1317	<b>Recourse loan</b>	Loan in which the lender has a claim against the borrower for any shortfall between the outstanding mortgage balance and the proceeds received from the sale of the property.	Introduction to Asset-Backed Securities
1318	<b>Redemptions</b>	Withdrawals of funds by investors, as allowed by the notice period and other terms in the partnership agreement.	Introduction to Alternative Investments
1319	<b>Redemption yield</b>	Annual return that an investor earns on a bond if the investor purchases the bond today and holds it until maturity. It is the discount rate that equates the present value of the bond's expected cash flows until maturity with the bond's price.	Fixed-Income Securities: Defining Elements
1320	<b>Refinancing rate</b>	A type of central bank policy rate.	Monetary and Fiscal Policy
1321	<b>Registered bonds</b>	Bonds for which ownership is recorded by either name or serial number.	Fixed-Income Securities: Defining Elements
1322	<b>Relative/best-in-class screening</b>	An ESG investment style that focuses on sectors, companies, or projects selected for ESG performance relative to industry peers.	Introduction to Corporate Governance and Other ESG Considerations
1323	<b>Relative dispersion</b>	The amount of dispersion relative to a reference value or benchmark.	Statistical Concepts and Market Returns
1324	<b>Relative frequency</b>	With reference to an interval of grouped data, the number of observations in the interval divided by the total number of observations in the sample.	Statistical Concepts and Market Returns
1325	<b>Relative price</b>	The price of a specific good or service in comparison with those of other goods and services.	Understanding Business Cycles
1326	<b>Relative strength analysis</b>	A comparison of the performance of one asset with the performance of another asset or a benchmark based on changes in the ratio of the securities' respective prices over time.	Technical Analysis
1327	<b>Relative strength index</b>	A technical analysis momentum oscillator that compares a security's gains with its losses over a set period.	Technical Analysis
1328	<b>Renewable resources</b>	Resources that can be replenished, such as a forest.	Aggregate Output, Prices, and Economic Growth
1329	<b>Rent</b>	Payment for the use of property.	Aggregate Output, Prices, and Economic Growth
1330	<b>Reorganization</b>	Agreements made by a company in bankruptcy under which a company's capital structure is altered and/or alternative arrangements are made for debt repayment; US Chapter 11 bankruptcy. The company emerges from bankruptcy as a going concern.	Measures of Leverage
1331	<b>Replication</b>	The creation of an asset or portfolio from another asset, portfolio, and/or derivative.	Basics of Derivative Pricing and Valuation
1332	<b>Repo margin</b>	The difference between the market value of the security used as collateral and the value of the loan.	Fixed-Income Markets: Issuance, Trading, and Funding
1333	<b>Repo</b>	A form of collateralized loan involving the sale of a security with a simultaneous agreement by the seller to buy the same security back from the purchaser at an agreed-on price and future date. The party who sells the security at the inception of the repurchase agreement and buys it back at maturity is borrowing money from the other party, and the security sold and subsequently repurchased represents the collateral.	Fixed-Income Markets: Issuance, Trading, and Funding
1334	<b>Repo rate</b>	The interest rate on a repurchase agreement.	Fixed-Income Markets: Issuance, Trading, and Funding
1335	<b>Repurchase agreement</b>	A form of collateralized loan involving the sale of a security with a simultaneous agreement by the seller to buy the same security back from the purchaser at an agreed-on price and future date. The party who sells the security at the inception of the repurchase agreement and buys it back at maturity is borrowing money from the other party, and the security sold and subsequently repurchased represents the collateral.	Fixed-Income Markets: Issuance, Trading, and Funding
1336	<b>Repurchase agreement</b>	A form of collateralized loan involving the sale of a security with a simultaneous agreement by the seller to buy the same security back from the purchaser at an agreed-on price and future date. The party who sells the security at the inception of the repurchase agreement and buys it back at maturity is borrowing money from the other party, and the security sold and subsequently repurchased represents the collateral.	Monetary and Fiscal Policy
1337	<b>Repurchase date</b>	The date when the party who sold the security at the inception of a repurchase agreement buys the security back from the cash lending counterparty.	Fixed-Income Markets: Issuance, Trading, and Funding
1338	<b>Repurchase price</b>	The price at which the party who sold the security at the inception of the repurchase agreement buys the security back from the cash lending counterparty.	Fixed-Income Markets: Issuance, Trading, and Funding
1339	<b>Required margin</b>	The yield spread over, or under, the reference rate such that an FRN is priced at par value on a rate reset date.	Introduction to Fixed-Income Valuation

1340	<b>Required rate of return</b>	The rate of return required by investors given the risk of the investment in a bond.	Introduction to Fixed-Income Valuation
1341	<b>Required yield</b>	The rate of return required by investors given the risk of the investment in a bond.	Introduction to Fixed-Income Valuation
1342	<b>Required yield spread</b>	The difference between the yield-to-maturity on a new bond and the benchmark rate; additional compensation required by investors for the difference in risk and tax status of a bond relative to a government bond.	Introduction to Fixed-Income Valuation
1343	<b>Reserve accounts</b>	Form of internal credit enhancement that relies on creating accounts and depositing in these accounts cash that can be used to absorb losses.	Fixed-Income Securities: Defining Elements
1344	<b>Reserve funds</b>	Form of internal credit enhancement that relies on creating accounts and depositing in these accounts cash that can be used to absorb losses.	Fixed-Income Securities: Defining Elements
1345	<b>Reserve requirement</b>	The requirement for banks to hold reserves in proportion to the size of deposits.	Monetary and Fiscal Policy
1346	<b>Resistance</b>	In technical analysis, a price range in which selling activity is sufficient to stop the rise in the price of a security.	Technical Analysis
1347	<b>Responsible investing</b>	The practice of identifying companies that can efficiently manage their financial, environmental, and human capital resources to generate attractive long-term profitability.	Introduction to Corporate Governance and Other ESG Considerations
1348	<b>Restricted payments</b>	A bond covenant meant to protect creditors by limiting how much cash can be paid out to shareholders over time.	Fundamentals of Credit Analysis
1349	<b>Retracement</b>	In technical analysis, a reversal in the movement of a security's price such that it is counter to the prevailing longerterm price trend.	Technical Analysis
1350	<b>Return-generating model</b>	A model that can provide an estimate of the expected return of a security given certain parameters and estimates of the values of the independent variables in the model.	Portfolio Risk and Return: Part II
1351	<b>Return on assets (ROA)</b>	A profitability ratio calculated as net income divided by average total assets; indicates a company's net profit generated per dollar invested in total assets.	Financial Analysis Techniques
1352	<b>Return on equity (ROE)</b>	A profitability ratio calculated as net income divided by average shareholders' equity.	Overview of Equity Securities
1353	<b>Return on equity (ROE)</b>	A profitability ratio calculated as net income divided by average shareholders' equity.	Financial Analysis Techniques
1354	<b>Return on sales</b>	An indicator of profitability, calculated as net income divided by revenue; indicates how much of each dollar of revenues is left after all costs and expenses.	Understanding Income Statements
1355	<b>Return on total capital</b>	A profitability ratio calculated as EBIT divided by the sum of short- and long-term debt and equity.	Financial Analysis Techniques
1356	<b>Revaluation model</b>	Under IFRS, the process of valuing long-lived assets at fair value, rather than at cost less accumulated depreciation. Any resulting profit or loss is either reported on the income statement and/or through equity under revaluation surplus.	Long-Lived Assets
1357	<b>Revenue</b>	The amount charged for the delivery of goods or services in the ordinary activities of a business over a stated period; the inflows of economic resources to a company over a stated period.	Introduction to Financial Statement Analysis
1358	<b>Revenue</b>	The amount charged for the delivery of goods or services in the ordinary activities of a business over a stated period; the inflows of economic resources to a company over a stated period.	Understanding Income Statements
1359	<b>Reversal patterns</b>	A type of pattern used in technical analysis to predict the end of a trend and a change in direction of the security's price.	Technical Analysis
1360	<b>Reverse repo</b>	A repurchase agreement viewed from the perspective of the cash lending counterparty.	Fixed-Income Markets: Issuance, Trading, and Funding
1361	<b>Reverse repurchase agreement</b>	A repurchase agreement viewed from the perspective of the cash lending counterparty.	Fixed-Income Markets: Issuance, Trading, and Funding
1362	<b>Reverse stock split</b>	A reduction in the number of shares outstanding with a corresponding increase in share price, but no change to the company's underlying fundamentals.	Equity Valuation: Concepts and Basic Tools
1363	<b>Revolving credit agreements</b>	The strongest form of short-term bank borrowing facilities; they are in effect for multiple years (e.g., 3–5 years) and may have optional medium-term loan features.	Working Capital Management
1364	<b>Rho</b>	The sensitivity of the option price to the risk-free rate.	Introduction to Risk Management
1365	<b>Ricardian equivalence</b>	An economic theory that implies that it makes no difference whether a government finances a deficit by increasing taxes or issuing debt.	Monetary and Fiscal Policy

1366	<b>Risk averse</b>	The assumption that an investor will choose the least risky alternative.	Portfolio Risk and Return: Part I
1367	<b>Risk aversion</b>	The degree of an investor's inability and unwillingness to take risk.	Market Efficiency
1368	<b>Risk aversion</b>	The degree of an investor's inability and unwillingness to take risk.	Portfolio Risk and Return: Part I
1369	<b>Risk budgeting</b>	The establishment of objectives for individuals, groups, or divisions of an organization that takes into account the allocation of an acceptable level of risk.	Basics of Portfolio Planning and Construction
1370	<b>Risk budgeting</b>	The establishment of objectives for individuals, groups, or divisions of an organization that takes into account the allocation of an acceptable level of risk.	Introduction to Risk Management
1371	<b>Risk exposure</b>	The state of being exposed or vulnerable to a risk. The extent to which an organization is sensitive to underlying risks.	Introduction to Risk Management
1372	<b>Risk factor/risk premium investing</b>	An ESG investment style that focuses on the inclusion of ESG information in the analysis of systematic risks as, for example, in smart beta and factor investment strategies (similar to size, value, momentum, and growth strategies).	Introduction to Corporate Governance and Other ESG Considerations
1373	<b>Risk governance</b>	The top-down process and guidance that directs risk management activities to align with and support the overall enterprise.	Introduction to Risk Management
1374	<b>Risk management framework</b>	The infrastructure, process, and analytics needed to support effective risk management in an organization.	Introduction to Risk Management
1375	<b>Risk management</b>	The process of identifying the level of risk an organization wants, measuring the level of risk the organization currently has, taking actions that bring the actual level of risk to the desired level of risk, and monitoring the new actual level of risk so that it continues to be aligned with the desired level of risk.	Derivative Markets and Instruments
1376	<b>Risk management</b>	The process of identifying the level of risk an organization wants, measuring the level of risk the organization currently has, taking actions that bring the actual level of risk to the desired level of risk, and monitoring the new actual level of risk so that it continues to be aligned with the desired level of risk.	Introduction to Risk Management
1377	<b>Risk-neutral pricing</b>	Sometimes said of derivatives pricing, uses the fact that arbitrage opportunities guarantee that a risk-free portfolio consisting of the underlying and the derivative must earn the risk-free rate.	Basics of Derivative Pricing and Valuation
1378	<b>Risk-neutral probabilities</b>	Weights that are used to compute a binomial option price. They are the probabilities that would apply if a risk-neutral investor valued an option.	Basics of Derivative Pricing and Valuation
1379	<b>Risk</b>	Exposure to uncertainty. The chance of a loss or adverse outcome as a result of an action, inaction, or external event.	Introduction to Risk Management
1380	<b>Risk premium</b>	An extra return expected by investors for bearing some specified risk.	Monetary and Fiscal Policy
1381	<b>Risk premium</b>	An extra return expected by investors for bearing some specified risk.	Portfolio Risk and Return: Part I
1382	<b>Risk premium</b>	An extra return expected by investors for bearing some specified risk.	Hypothesis Testing
1383	<b>Risk shifting</b>	Actions to change the distribution of risk outcomes.	Introduction to Risk Management
1384	<b>Risk tolerance</b>	The amount of risk an investor is willing and able to bear to achieve an investment goal.	Introduction to Risk Management
1385	<b>Risk tolerance</b>	The amount of risk an investor is willing and able to bear to achieve an investment goal.	Portfolio Risk and Return: Part I
1386	<b>Risk transfer</b>	Actions to pass on a risk to another party, often, but not always, in the form of an insurance policy.	Introduction to Risk Management
1387	<b>Robo-adviser</b>	A machine-based analytical tool or service that provides technology-driven investment solutions through online platforms.	Fintech in Investment Management
1388	<b>Robust</b>	The quality of being relatively unaffected by a violation of assumptions.	Hypothesis Testing
1389	<b>Rule of 72</b>	The principle that the approximate number of years necessary for an investment to double is 72 divided by the stated interest rate.	The Time Value of Money
1390	<b>Running yield</b>	The sum of the coupon payments received over the year divided by the flat price.	Fixed-Income Securities: Defining Elements
1391	<b>Safety-first rules</b>	Rules for portfolio selection that focus on the risk that portfolio value will fall below some minimum acceptable level over some time horizon.	Common Probability Distributions
1392	<b>Safety stock</b>	A level of inventory beyond anticipated needs that provides a cushion in the event that it takes longer to replenish inventory than expected or in the case of greater than expected demand.	Working Capital Management
1393	<b>Sales</b>	Generally, a synonym for revenue; "sales" is generally understood to refer to the sale of goods, whereas "revenue" is understood to include the sale of	Understanding Income Statements

		goods or services.	
1394	<b>Sales risk</b>	Uncertainty with respect to the quantity of goods and services that a company is able to sell and the price it is able to achieve; the risk related to the uncertainty of revenues.	Measures of Leverage
1395	<b>Sales risk</b>	Uncertainty with respect to the quantity of goods and services that a company is able to sell and the price it is able to achieve; the risk related to the uncertainty of revenues.	Cost of Capital
1396	<b>Sales-type leases</b>	Under US GAAP, a type of finance lease, from a lessor perspective, where the present value of the lease payments (lease receivable) exceeds the carrying value of the leased asset. The revenues earned by the lessor both a selling profit at inception and financing (interest) revenues.	Non-Current (Long-Term) Liabilities
1397	<b>Sample excess kurtosis</b>	A sample measure of the degree of a distribution's kurtosis in excess of the normal distribution's kurtosis.	Statistical Concepts and Market Returns
1398	<b>Sample kurtosis</b>	A sample measure of the degree of a distribution's peakedness.	Statistical Concepts and Market Returns
1399	<b>Sample mean</b>	The sum of the sample observations, divided by the sample size.	Statistical Concepts and Market Returns
1400	<b>Sample</b>	A subset of a population.	Statistical Concepts and Market Returns
1401	<b>Sample selection bias</b>	Bias introduced by systematically excluding some members of the population according to a particular attribute—for example, the bias introduced when data availability leads to certain observations being excluded from the analysis.	Sampling and Estimation
1402	<b>Sample skewness</b>	A sample measure of degree of asymmetry of a distribution.	Statistical Concepts and Market Returns
1403	<b>Sample standard deviation</b>	The positive square root of the sample variance.	Statistical Concepts and Market Returns
1404	<b>Sample statistic</b>	A quantity computed from or used to describe a sample.	Statistical Concepts and Market Returns
1405	<b>Sample variance</b>	A sample measure of the degree of dispersion of a distribution, calculated by dividing the sum of the squared deviations from the sample mean by the sample size minus 1.	Statistical Concepts and Market Returns
1406	<b>Sampling distribution</b>	The distribution of all distinct possible values that a statistic can assume when computed from samples of the same size randomly drawn from the same population.	Sampling and Estimation
1407	<b>Sampling error</b>	The difference between the observed value of a statistic and the quantity it is intended to estimate.	Sampling and Estimation
1408	<b>Sampling</b>	The process of obtaining a sample.	Sampling and Estimation
1409	<b>Sampling plan</b>	The set of rules used to select a sample.	Sampling and Estimation
1410	<b>Say on pay</b>	A process whereby shareholders may vote on executive remuneration (compensation) matters.	Introduction to Corporate Governance and Other ESG Considerations
1411	<b>Say's law</b>	Named for French economist J.B. Say: All that is produced will be sold because supply creates its own demand.	Understanding Business Cycles
1412	<b>Scatter plot</b>	A two-dimensional plot of pairs of observations on two data series.	Probability Concepts
1413	<b>Scenario analysis</b>	Analysis that shows the changes in key financial quantities that result from given (economic) events, such as the loss of customers, the loss of a supply source, or a catastrophic event; a risk management technique involving examination of the performance of a portfolio under specified situations. Closely related to stress testing.	Financial Analysis Techniques
1414	<b>Scenario analysis</b>	Analysis that shows the changes in key financial quantities that result from given (economic) events, such as the loss of customers, the loss of a supply source, or a catastrophic event; a risk management technique involving examination of the performance of a portfolio under specified situations. Closely related to stress testing.	Introduction to Risk Management
1415	<b>Scenario analysis</b>	Analysis that shows the changes in key financial quantities that result from given (economic) events, such as the loss of customers, the loss of a supply source, or a catastrophic event; a risk management technique involving examination of the performance of a portfolio under specified situations. Closely related to stress testing.	Common Probability Distributions
1416	<b>Screening</b>	The application of a set of criteria to reduce a set of potential investments to a smaller set having certain desired characteristics.	Applications of Financial Statement Analysis
1417	<b>Seasoned offering</b>	An offering in which an issuer sells additional units of a previously issued security.	Market Organization and Structure
1418	<b>Secondary bond markets</b>	Markets in which existing bonds are traded among investors.	Fixed-Income Markets: Issuance, Trading, and

			Funding
1419	<b>Secondary market</b>	The market where securities are traded among investors.	Market Organization and Structure
1420	<b>Secondary precedence rules</b>	Rules that determine how to rank orders placed at the same time.	Market Organization and Structure
1421	<b>Second-degree price discrimination</b>	When the monopolist charges different per-unit prices using the quantity purchased as an indicator of how highly the customer values the product.	The Firm and Market Structures
1422	<b>Second lien</b>	A secured interest in the pledged assets that ranks below first lien debt in both collateral protection and priority of payment.	Fundamentals of Credit Analysis
1423	<b>Sector indexes</b>	Indexes that represent and track different economic sectors—such as consumer goods, energy, finance, health care, and technology—on either a national, regional, or global basis.	Security Market Indexes
1424	<b>Sector</b>	A group of related industries.	Introduction to Industry and Company Analysis
1425	<b>Secured bonds</b>	Bonds secured by assets or financial guarantees pledged to ensure debt repayment in case of default.	Fixed-Income Securities: Defining Elements
1426	<b>Secured debt</b>	Debt in which the debtholder has a direct claim—a pledge from the issuer—on certain assets and their associated cash flows.	Fundamentals of Credit Analysis
1427	<b>Securitization</b>	A process that involves moving assets into a special legal entity, which then uses the assets as guarantees to secure a bond issue.	Introduction to Asset-Backed Securities
1428	<b>Securitized assets</b>	Assets that are typically used to create asset-backed bonds; for example, when a bank securitizes a pool of loans, the loans are said to be securitized.	Introduction to Asset-Backed Securities
1429	<b>Security characteristic line</b>	A plot of the excess return of a security on the excess return of the market.	Portfolio Risk and Return: Part II
1430	<b>Security market index</b>	A portfolio of securities representing a given security market, market segment, or asset class.	Security Market Indexes
1431	<b>Security market line</b>	(SML) The graph of the capital asset pricing model.	Portfolio Risk and Return: Part II
1432	<b>Security selection</b>	The process of selecting individual securities; typically, security selection has the objective of generating superior risk-adjusted returns relative to a portfolio's benchmark.	Basics of Portfolio Planning and Construction
1433	<b>Self-investment limits</b>	With respect to investment limitations applying to pension plans, restrictions on the percentage of assets that can be invested in securities issued by the pension plan sponsor.	Basics of Portfolio Planning and Construction
1434	<b>Sell-side firm</b>	A broker/dealer that sells securities and provides independent investment research and recommendations to their clients (i.e., buy-side firms).	Portfolio Management: An Overview
1435	<b>Semiannual bond basis yield</b>	An annual rate having a periodicity of two.	Introduction to Fixed-Income Valuation
1436	<b>Semiannual bond equivalent yield</b>	An annual rate having a periodicity of two.	Introduction to Fixed-Income Valuation
1437	<b>Semideviation</b>	The positive square root of semivariance.	Statistical Concepts and Market Returns
1438	<b>Semilogarithmic</b>	Describes a scale constructed so that equal intervals on the vertical scale represent equal rates of change, and equal intervals on the horizontal scale represent equal amounts of change.	Statistical Concepts and Market Returns
1439	<b>Semi-strong-form efficient market</b>	A market in which security prices reflect all publicly known and available information.	Market Efficiency
1440	<b>Semivariance</b>	The average squared deviation below the mean.	Statistical Concepts and Market Returns
1441	<b>Seniority ranking</b>	Priority of payment of various debt obligations.	Fundamentals of Credit Analysis
1442	<b>Sensitivity analysis</b>	Analysis that shows the range of possible outcomes as specific assumptions are changed.	Financial Analysis Techniques
1443	<b>Separately managed account</b>	(SMA) An investment portfolio managed exclusively for the benefit of an individual or institution.	Portfolio Management: An Overview
1444	<b>Serial maturity structure</b>	Structure for a bond issue in which the maturity dates are spread out during the bond's life; a stated number of bonds mature and are paid off each year before final maturity.	Fixed-Income Markets: Issuance, Trading, and Funding
1445	<b>Settlement date</b>	Date when the buyer makes cash payment and the seller delivers the security.	Introduction to Fixed-Income Valuation

1446	<b>Settlement</b>	The process that occurs after a trade is completed, the securities are passed to the buyer, and payment is received by the seller.	Fixed-Income Markets: Issuance, Trading, and Funding
1447	<b>Settlement</b>	The process that occurs after a trade is completed, the securities are passed to the buyer, and payment is received by the seller.	Derivative Markets and Instruments
1448	<b>Settlement price</b>	The official price, designated by the clearinghouse, from which daily gains and losses will be determined and marked to market.	Derivative Markets and Instruments
1449	<b>Shareholder activism</b>	Strategies used by shareholders to attempt to compel a company to act in a desired manner.	Introduction to Corporate Governance and Other ESG Considerations
1450	<b>Shareholder engagement</b>	The process whereby companies engage with their shareholders.	Introduction to Corporate Governance and Other ESG Considerations
1451	<b>Shareholder engagement</b>	The process whereby companies engage with their shareholders.	Basics of Portfolio Planning and Construction
1452	<b>Shareholders' equity</b>	Assets less liabilities; the residual interest in the assets after subtracting the liabilities.	Understanding Balance Sheets
1453	<b>Share repurchase</b>	A transaction in which a company buys back its own shares. Unlike stock dividends and stock splits, share repurchases use corporate cash.	Equity Valuation: Concepts and Basic Tools
1454	<b>Sharpe ratio</b>	The average return in excess of the risk-free rate divided by the standard deviation of return; a measure of the average excess return earned per unit of standard deviation of return.	Portfolio Risk and Return: Part II
1455	<b>Sharpe ratio</b>	The average return in excess of the risk-free rate divided by the standard deviation of return; a measure of the average excess return earned per unit of standard deviation of return.	Sampling and Estimation
1456	<b>Shelf registration</b>	Type of public offering that allows the issuer to file a single, all-encompassing offering circular that covers a series of bond issues.	Fixed-Income Markets: Issuance, Trading, and Funding
1457	<b>Shelf registration</b>	Type of public offering that allows the issuer to file a single, all-encompassing offering circular that covers a series of bond issues.	Market Organization and Structure
1458	<b>Shortfall risk</b>	The risk that portfolio value will fall below some minimum acceptable level over some time horizon.	Common Probability Distributions
1459	<b>Short</b>	The seller of an asset or derivative contract. Also refers to the position of being short an asset or derivative contract.	Derivative Markets and Instruments
1460	<b>Short position</b>	A position in an asset or contract in which one has sold an asset one does not own, or in which a right under a contract can be exercised against oneself.	Market Organization and Structure
1461	<b>Short-run average total cost</b>	The curve describing average total cost when some costs are considered fixed.	Topics in Supply and Demand Analysis
1462	<b>Short selling</b>	A transaction in which borrowed securities are sold with the intention to repurchase them at a lower price at a later date and return them to the lender.	Market Efficiency
1463	<b>Short selling</b>	A transaction in which borrowed securities are sold with the intention to repurchase them at a lower price at a later date and return them to the lender.	Portfolio Risk and Return: Part II
1464	<b>Shutdown point</b>	The point at which average revenue is equal to the firm's average variable cost.	Topics in Supply and Demand Analysis
1465	<b>Simple interest</b>	The interest earned each period on the original investment; interest calculated on the principal only.	The Time Value of Money
1466	<b>Simple random sample</b>	A subset of a larger population created in such a way that each element of the population has an equal probability of being selected to the subset.	Sampling and Estimation
1467	<b>Simple random sampling</b>	The procedure of drawing a sample to satisfy the definition of a simple random sample.	Sampling and Estimation
1468	<b>Simple yield</b>	The sum of the coupon payments plus the straight-line amortized share of the gain or loss, divided by the flat price.	Introduction to Fixed-Income Valuation
1469	<b>Simulation</b>	Computer-generated sensitivity or scenario analysis that is based on probability models for the factors that drive outcomes.	Financial Analysis Techniques
1470	<b>Simulation trial</b>	A complete pass through the steps of a simulation.	Common Probability Distributions
1471	<b>Single-step format</b>	With respect to the format of the income statement, a format that does not subtotal for gross profit (revenue minus cost of goods sold).	Understanding Income Statements
1472	<b>Sinking fund arrangement</b>	Provision that reduces the credit risk of a bond issue by requiring the issuer to retire a portion of the bond's principal outstanding each year.	Fixed-Income Securities: Defining Elements



1473	<b>Situational influences</b>	External factors, such as environmental or cultural elements, that shape our behavior.	Ethics and Trust in the Investment Profession
1474	<b>Skewed</b>	Not symmetrical.	Statistical Concepts and Market Returns
1475	<b>Skewness</b>	A quantitative measure of skew (lack of symmetry); a synonym of skew.	Statistical Concepts and Market Returns
1476	<b>Skewness</b>	A quantitative measure of skew (lack of symmetry); a synonym of skew.	Portfolio Risk and Return: Part I
1477	<b>Small country</b>	A country that is a price taker in the world market for a product and cannot influence the world market price.	International Trade and Capital Flows
1478	<b>Smart beta</b>	Involves the use of simple, transparent, rules-based strategies as a basis for investment decisions.	Portfolio Management: An Overview
1479	<b>Smart contract</b>	A computer program that is designed to self-execute on the basis of pre-specified terms and conditions agreed to by parties to a contract.	Fintech in Investment Management
1480	<b>Socially responsible investing</b>	An investment approach that excludes investments in companies or industries that deviate from an organization's beliefs and sometimes includes investments with favorable environmental or social profiles.	Introduction to Corporate Governance and Other ESG Considerations
1481	<b>Solvency</b>	With respect to financial statement analysis, the ability of a company to fulfill its long-term obligations.	Understanding Balance Sheets
1482	<b>Solvency</b>	With respect to financial statement analysis, the ability of a company to fulfill its long-term obligations.	Introduction to Financial Statement Analysis
1483	<b>Solvency</b>	With respect to financial statement analysis, the ability of a company to fulfill its long-term obligations.	Financial Analysis Techniques
1484	<b>Solvency ratios</b>	Ratios that measure a company's ability to meet its long-term obligations.	Understanding Balance Sheets
1485	<b>Solvency ratios</b>	Ratios that measure a company's ability to meet its long-term obligations.	Financial Analysis Techniques
1486	<b>Solvency risk</b>	The risk that an organization does not survive or succeed because it runs out of cash, even though it might otherwise be solvent.	Introduction to Risk Management
1487	<b>Sovereign bond</b>	A bond issued by a national government.	Fixed-Income Markets: Issuance, Trading, and Funding
1488	<b>Sovereign</b>	A bond issued by a national government.	Fixed-Income Markets: Issuance, Trading, and Funding
1489	<b>Sovereign yield spread</b>	An estimate of the country spread (country equity premium) for a developing nation that is based on a comparison of bonds yields in country being analyzed and a developed country. The sovereign yield spread is the difference between a government bond yield in the country being analyzed, denominated in the currency of the developed country, and the Treasury bond yield on a similar maturity bond in the developed country.	Cost of Capital
1490	<b>Spearman rank correlation coefficient</b>	A measure of correlation applied to ranked data.	Hypothesis Testing
1491	<b>Special dividend</b>	A dividend paid by a company that does not pay dividends on a regular schedule, or a dividend that supplements regular cash dividends with an extra payment.	Equity Valuation: Concepts and Basic Tools
1492	<b>Special purpose entity</b>	A non-operating entity created to carry out a specified purpose, such as leasing assets or securitizing receivables; can be a corporation, partnership, trust, limited liability, or partnership formed to facilitate a specific type of business activity.	Introduction to Asset-Backed Securities
1493	<b>Special purpose entity</b>	A non-operating entity created to carry out a specified purpose, such as leasing assets or securitizing receivables; can be a corporation, partnership, trust, limited liability, or partnership formed to facilitate a specific type of business activity.	Market Organization and Structure
1494	<b>Special purpose vehicle</b>	A non-operating entity created to carry out a specified purpose, such as leasing assets or securitizing receivables; can be a corporation, partnership, trust, limited liability, or partnership formed to facilitate a specific type of business activity.	Market Organization and Structure
1495	<b>Specific identification method</b>	An inventory accounting method that identifies which specific inventory items were sold and which remained in inventory to be carried over to later periods.	Understanding Income Statements
1496	<b>Speculative demand for money</b>	The demand to hold speculative money balances based on the potential opportunities or risks that are inherent in other financial instruments.	Monetary and Fiscal Policy
1497	<b>Speculative money balances</b>	Monies held in anticipation that other assets will decline in value.	Monetary and Fiscal Policy
1498	<b>Split coupon bond</b>	Bond that pays no coupons for its first few years but then pays a higher coupon than it otherwise normally would for the remainder of its life.	Fixed-Income Securities: Defining Elements

1499	<b>Sponsored</b>	A type of depository receipt in which the foreign company whose shares are held by the depository has a direct involvement in the issuance of the receipts.	Overview of Equity Securities
1500	<b>Spot curve</b>	A sequence of yields-to-maturity on zero-coupon bonds. Sometimes called zero or strip curve because coupon payments are “stripped” off of the bonds.	Introduction to Fixed-Income Valuation
1501	<b>Spot markets</b>	Markets in which assets are traded for immediate delivery.	Derivative Markets and Instruments
1502	<b>Spot markets</b>	Markets in which assets are traded for immediate delivery.	Market Organization and Structure
1503	<b>Spot prices</b>	The price of an asset for immediately delivery.	Derivative Markets and Instruments
1504	<b>Spot rates</b>	A sequence of market discount rates that correspond to the cash flow dates; yields-to-maturity on zero-coupon bonds maturing at the date of each cash flow.	Introduction to Fixed-Income Valuation
1505	<b>Spread over the benchmark</b>	The difference between the yield-to-maturity on a new bond and the benchmark rate; additional compensation required by investors for the difference in risk and tax status of a bond relative to a government bond.	Introduction to Fixed-Income Valuation
1506	<b>Spread</b>	In general, the difference in yield between different fixed income securities. Often used to refer to the difference between the yield-to-maturity and the benchmark.	Introduction to Fixed-Income Valuation
1507	<b>Spread risk</b>	Bond price risk arising from changes in the yield spread on credit-risky bonds; reflects changes in the market’s assessment and/or pricing of credit migration (or downgrade) risk and market liquidity risk.	Fundamentals of Credit Analysis
1508	<b>Spurious correlation</b>	A correlation that misleadingly points toward associations between variables.	Probability Concepts
1509	<b>Stackelberg model</b>	A prominent model of strategic decision making in which firms are assumed to make their decisions sequentially.	The Firm and Market Structures
1510	<b>Stagflation</b>	When a high inflation rate is combined with a high level of unemployment and a slowdown of the economy.	Understanding Business Cycles
1511	<b>Stagflation</b>	When a high inflation rate is combined with a high level of unemployment and a slowdown of the economy.	Aggregate Output, Prices, and Economic Growth
1512	<b>Staggered boards</b>	Election process whereby directors are typically divided into multiple classes that are elected separately in consecutive years—that is, one class every year.	Introduction to Corporate Governance and Other ESG Considerations
1513	<b>Stakeholder management</b>	The identification, prioritization, and understanding of the interests of stakeholder groups, and managing the company’s relationships with these groups.	Introduction to Corporate Governance and Other ESG Considerations
1514	<b>Stakeholders</b>	Individuals or groups of individuals who may be affected either directly or indirectly by a decision and thus have an interest, or stake, in the decision.	Ethics and Trust in the Investment Profession
1515	<b>Standard deviation</b>	The positive square root of the variance; a measure of dispersion in the same units as the original data.	Statistical Concepts and Market Returns
1516	<b>Standard deviation</b>	The positive square root of the variance; a measure of dispersion in the same units as the original data.	Probability Concepts
1517	<b>Standardizing</b>	A transformation that involves subtracting the mean and dividing the result by the standard deviation.	Common Probability Distributions
1518	<b>Standard normal distribution</b>	The normal density with mean ( $\mu$ ) equal to 0 and standard deviation ( $\sigma$ ) equal to 1.	Common Probability Distributions
1519	<b>Standards of conduct</b>	Behaviors required by a group; established benchmarks that clarify or enhance a group’s code of ethics.	Ethics and Trust in the Investment Profession
1520	<b>Standing limit orders</b>	A limit order at a price below market and which therefore is waiting to trade.	Market Organization and Structure
1521	<b>Stated annual interest rate</b>	A quoted interest rate that does not account for compounding within the year.	The Time Value of Money
1522	<b>Statement of changes in equity</b>	(statement of owners’ equity) A financial statement that reconciles the beginning-of-period and end-of-period balance sheet values of shareholders’ equity; provides information about all factors affecting shareholders’ equity.	Understanding Balance Sheets
1523	<b>Statement of financial condition</b>	The financial statement that presents an entity’s current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Introduction to Financial Statement Analysis
1524	<b>Statement of financial condition</b>	The financial statement that presents an entity’s current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Understanding Balance Sheets

1525	<b>Statement of financial position</b>	The financial statement that presents an entity's current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Introduction to Financial Statement Analysis
1526	<b>Statement of financial position</b>	The financial statement that presents an entity's current financial position by disclosing resources the entity controls (its assets) and the claims on those resources (its liabilities and equity claims), as of a particular point in time (the date of the balance sheet).	Understanding Balance Sheets
1527	<b>Statement of operations</b>	A financial statement that provides information about a company's profitability over a stated period of time.	Introduction to Financial Statement Analysis
1528	<b>Statistical inference</b>	Making forecasts, estimates, or judgments about a larger group from a smaller group actually observed; using a sample statistic to infer the value of an unknown population parameter.	Statistical Concepts and Market Returns
1529	<b>Statistically significant</b>	A result indicating that the null hypothesis can be rejected; with reference to an estimated regression coefficient, frequently understood to mean a result indicating that the corresponding population regression coefficient is different from 0.	Hypothesis Testing
1530	<b>Statistic</b>	A quantity computed from or used to describe a sample of data.	Statistical Concepts and Market Returns
1531	<b>Statistic</b>	A quantity computed from or used to describe a sample of data.	Sampling and Estimation
1532	<b>Statutory voting</b>	A common method of voting where each share represents one vote.	Overview of Equity Securities
1533	<b>Step-up coupon bond</b>	Bond for which the coupon, which may be fixed or floating, increases by specified margins at specified dates.	Fixed-Income Securities: Defining Elements
1534	<b>Stock dividend</b>	A type of dividend in which a company distributes additional shares of its common stock to shareholders instead of cash.	Equity Valuation: Concepts and Basic Tools
1535	<b>Stock-out losses</b>	Profits lost from not having sufficient inventory on hand to satisfy demand.	Working Capital Management
1536	<b>Stock split</b>	An increase in the number of shares outstanding with a consequent decrease in share price, but no change to the company's underlying fundamentals.	Equity Valuation: Concepts and Basic Tools
1537	<b>Stop-loss order</b>	An order in which a trader has specified a stop price condition.	Market Organization and Structure
1538	<b>Stop order</b>	An order in which a trader has specified a stop price condition.	Market Organization and Structure
1539	<b>Store of value</b>	The quality of tending to preserve value.	Monetary and Fiscal Policy
1540	<b>Store of wealth</b>	Goods that depend on the fact that they do not perish physically over time, and on the belief that others would always value the good.	Monetary and Fiscal Policy
1541	<b>Straight-line method</b>	A depreciation method that allocates evenly the cost of a long-lived asset less its estimated residual value over the estimated useful life of the asset.	Understanding Income Statements
1542	<b>Straight-line method</b>	A depreciation method that allocates evenly the cost of a long-lived asset less its estimated residual value over the estimated useful life of the asset.	Long-Lived Assets
1543	<b>Straight voting</b>	A shareholder voting process in which shareholders receive one vote for each share owned.	Introduction to Corporate Governance and Other ESG Considerations
1544	<b>Strategic analysis</b>	Analysis of the competitive environment with an emphasis on the implications of the environment for corporate strategy.	Introduction to Industry and Company Analysis
1545	<b>Strategic asset allocation</b>	The set of exposures to IPS-permissible asset classes that is expected to achieve the client's long-term objectives given the client's investment constraints.	Basics of Portfolio Planning and Construction
1546	<b>Strategic groups</b>	Groups sharing distinct business models or catering to specific market segments in an industry.	Introduction to Industry and Company Analysis
1547	<b>Street convention</b>	Yield measure that neglects weekends and holidays; the internal rate of return on cash flows assuming payments are made on the scheduled dates, even when the scheduled date falls on a weekend or holiday.	Introduction to Fixed-Income Valuation
1548	<b>Stress testing</b>	A specific type of scenario analysis that estimates losses in rare and extremely unfavorable combinations of events or scenarios.	Introduction to Risk Management
1549	<b>Stress testing</b>	A specific type of scenario analysis that estimates losses in rare and extremely unfavorable combinations of events or scenarios.	Common Probability Distributions
1550	<b>Strong-form efficient market</b>	A market in which security prices reflect all public and private information.	Market Efficiency
1551	<b>Structural (or cyclically adjusted) budget deficit</b>	The deficit that would exist if the economy was at full employment (or full potential output).	Monetary and Fiscal Policy

1552	<b>Structural subordination</b>	Arises in a holding company structure when the debt of operating subsidiaries is serviced by the cash flow and assets of the subsidiaries before funds can be passed to the holding company to service debt at the parent level.	Fundamentals of Credit Analysis
1553	<b>Structured financial instruments</b>	Financial instruments that share the common attribute of repackaging risks. Structured financial instruments include asset-backed securities, collateralized debt obligations, and other structured financial instruments such as capital protected, yield enhancement, participation and leveraged instruments.	Fixed-Income Markets: Issuance, Trading, and Funding
1554	<b>Subjective probability</b>	A probability drawing on personal or subjective judgment.	Probability Concepts
1555	<b>Subordinated debt</b>	A class of unsecured debt that ranks below a firm's senior unsecured obligations.	Fundamentals of Credit Analysis
1556	<b>Subordination</b>	Form of internal credit enhancement that relies on creating more than one bond tranche and ordering the claim priorities for ownership or interest in an asset between the tranches. The ordering of the claim priorities is called a senior/subordinated structure, where the tranches of highest seniority are called senior followed by subordinated or junior tranches.	Fixed-Income Securities: Defining Elements
1557	<b>Subordination</b>	Form of internal credit enhancement that relies on creating more than one bond tranche and ordering the claim priorities for ownership or interest in an asset between the tranches. The ordering of the claim priorities is called a senior/subordinated structure, where the tranches of highest seniority are called senior followed by subordinated or junior tranches.	Introduction to Asset-Backed Securities
1558	<b>Substitutes</b>	Said of two goods or services such that if the price of one increases the demand for the other tends to increase, holding all other things equal (e.g., butter and margarine).	Topics in Supply and Demand Analysis
1559	<b>Substitutes</b>	Said of two goods or services such that if the price of one increases the demand for the other tends to increase, holding all other things equal (e.g., butter and margarine).	The Firm and Market Structures
1560	<b>Sunk cost</b>	A cost that has already been incurred.	Capital Budgeting
1561	<b>Supervised learning</b>	A machine learning approach that makes use of labeled training data.	Fintech in Investment Management
1562	<b>Supply shock</b>	A typically unexpected disturbance to supply.	Monetary and Fiscal Policy
1563	<b>Support</b>	In technical analysis, a price range in which buying activity is sufficient to stop the decline in the price of a security.	Technical Analysis
1564	<b>Support tranche</b>	A class or tranche in a CMO that protects the PAC tranche from prepayment risk.	Introduction to Asset-Backed Securities
1565	<b>Supranational bonds</b>	A bond issued by a supranational agency such as the World Bank.	Fixed-Income Markets: Issuance, Trading, and Funding
1566	<b>Surety bond</b>	Form of external credit enhancement whereby a rated and regulated insurance company guarantees to reimburse bondholders for any losses incurred up to a maximum amount if the issuer defaults.	Fixed-Income Securities: Defining Elements
1567	<b>Survey approach</b>	An estimate of the equity risk premium that is based upon estimates provided by a panel of finance experts.	Cost of Capital
1568	<b>Survivorship bias</b>	The bias resulting from a test design that fails to account for companies that have gone bankrupt, merged, or are otherwise no longer reported in a database.	Sampling and Estimation
1569	<b>Sustainable growth rate</b>	The rate of dividend (and earnings) growth that can be sustained over time for a given level of return on equity, keeping the capital structure constant and without issuing additional common stock.	Cost of Capital
1570	<b>Sustainable growth rate</b>	The rate of dividend (and earnings) growth that can be sustained over time for a given level of return on equity, keeping the capital structure constant and without issuing additional common stock.	Financial Analysis Techniques
1571	<b>Sustainable investing</b>	The practice of identifying companies that can efficiently manage their financial, environmental, and human capital resources to generate attractive long-term profitability.	Basics of Portfolio Planning and Construction
1572	<b>Sustainable investing</b>	The practice of identifying companies that can efficiently manage their financial, environmental, and human capital resources to generate attractive long-term profitability.	Introduction to Corporate Governance and Other ESG Considerations
1573	<b>Sustainable rate of economic growth</b>	The rate of increase in the economy's productive capacity or potential GDP.	Aggregate Output, Prices, and Economic Growth
1574	<b>Swap contract</b>	An agreement between two parties to exchange a series of future cash flows.	Basics of Derivative Pricing and Valuation

1575	<b>Swap contract</b>	An agreement between two parties to exchange a series of future cash flows.	Market Organization and Structure
1576	<b>Syndicated loans</b>	Loans from a group of lenders to a single borrower.	Fixed-Income Markets: Issuance, Trading, and Funding
1577	<b>Syndicated offering</b>	A bond issue that is underwritten by a group of investment banks.	Fixed-Income Markets: Issuance, Trading, and Funding
1578	<b>Systematic risk</b>	Risk that affects the entire market or economy; it cannot be avoided and is inherent in the overall market. Systematic risk is also known as non-diversifiable or market risk.	Portfolio Risk and Return: Part II
1579	<b>Systematic risk</b>	Risk that affects the entire market or economy; it cannot be avoided and is inherent in the overall market. Systematic risk is also known as non-diversifiable or market risk.	Basics of Portfolio Planning and Construction
1580	<b>Systematic sampling</b>	A procedure of selecting every kth member until reaching a sample of the desired size. The sample that results from this procedure should be approximately random.	Sampling and Estimation
1581	<b>Tactical asset allocation</b>	The decision to deliberately deviate from the strategic asset allocation in an attempt to add value based on forecasts of the near-term relative performance of asset classes.	Basics of Portfolio Planning and Construction
1582	<b>Target balance</b>	A minimum level of cash to be held available—estimated in advance and adjusted for known funds transfers, seasonality, or other factors.	Working Capital Management
1583	<b>Target capital structure</b>	A company's chosen proportions of debt and equity.	Cost of Capital
1584	<b>Target independent</b>	A bank's ability to determine the definition of inflation that they target, the rate of inflation that they target, and the horizon over which the target is to be achieved.	Monetary and Fiscal Policy
1585	<b>Target semideviation</b>	The positive square root of target semivariance.	Statistical Concepts and Market Returns
1586	<b>Target semivariance</b>	The average squared deviation below a target value.	Statistical Concepts and Market Returns
1587	<b>Tariffs</b>	Taxes that a government levies on imported goods.	International Trade and Capital Flows
1588	<b>Taxable income</b>	The portion of an entity's income that is subject to income taxes under the tax laws of its jurisdiction.	Income Taxes
1589	<b>Taxable temporary differences</b>	Temporary differences that result in a taxable amount in a future period when determining the taxable profit as the balance sheet item is recovered or settled.	Income Taxes
1590	<b>Tax base</b>	The amount at which an asset or liability is valued for tax purposes.	Income Taxes
1591	<b>Tax expense</b>	An aggregate of an entity's income tax payable (or recoverable in the case of a tax benefit) and any changes in deferred tax assets and liabilities. It is essentially the income tax payable or recoverable if these had been determined based on accounting profit rather than taxable income.	Income Taxes
1592	<b>Tax loss carry forward</b>	A taxable loss in the current period that may be used to reduce future taxable income.	Income Taxes
1593	<b>Technical analysis</b>	A form of security analysis that uses price and volume data, which is often displayed graphically, in decision making.	Market Efficiency
1594	<b>Technical analysis</b>	A form of security analysis that uses price and volume data, which is often displayed graphically, in decision making.	Technical Analysis
1595	<b>Technology</b>	The process a company uses to transform inputs into outputs.	Aggregate Output, Prices, and Economic Growth
1596	<b>Tender offer</b>	Corporate takeover mechanism which involves shareholders selling their interests directly to the group seeking to gain control.	Introduction to Corporate Governance and Other ESG Considerations
1597	<b>Tenor</b>	The time-to-maturity for a bond or derivative contract.	Fixed-Income Securities: Defining Elements
1598	<b>Tenor</b>	The time-to-maturity for a bond or derivative contract.	Introduction to Fixed-Income Valuation
1599	<b>Terminal stock value</b>	The expected value of a share at the end of the investment horizon—in effect, the expected selling price.	Equity Valuation: Concepts and Basic Tools
1600	<b>Terminal value</b>	The expected value of a share at the end of the investment horizon—in effect, the expected selling price.	Equity Valuation: Concepts and Basic Tools

1601	<b>Term maturity structure</b>	Structure for a bond issue in which the bond's notional principal is paid off in a lump sum at maturity.	Fixed-Income Markets: Issuance, Trading, and Funding
1602	<b>Terms of trade</b>	The ratio of the price of exports to the price of imports, representing those prices by export and import price indexes, respectively.	International Trade and Capital Flows
1603	<b>Term structure of credit spreads</b>	The relationship between the spreads over the "risk-free" (or benchmark) rates and times-to-maturity.	Introduction to Fixed-Income Valuation
1604	<b>Term structure of yield volatility</b>	The relationship between the volatility of bond yields-to-maturity and times-to-maturity.	Understanding Fixed-Income Risk and Return
1605	<b>Term structure</b>	A factor explaining the differences in yields on similar bonds.	Introduction to Fixed-Income Valuation
1606	<b>Text analytics</b>	The use of computer programs to analyze and derive meaning from typically large, unstructured text- or voice-based datasets.	Fintech in Investment Management
1607	<b>Thematic investing</b>	An ESG implementation approach that focuses on investing in companies within a specific sector or industry theme.	Basics of Portfolio Planning and Construction
1608	<b>Thematic investment</b>	An ESG investing style that focuses on investing in themes or assets specifically relating to ESG factors, such as clean energy, green technology, or sustainable agriculture.	Introduction to Corporate Governance and Other ESG Considerations
1609	<b>Third-degree price discrimination</b>	When the monopolist segregates customers into groups based on demographic or other characteristics and offers different pricing to each group.	The Firm and Market Structures
1610	<b>Time-period bias</b>	The possibility that when we use a time-series sample, our statistical conclusion may be sensitive to the starting and ending dates of the sample.	Sampling and Estimation
1611	<b>Time-series data</b>	Observations of a variable over time.	Statistical Concepts and Market Returns
1612	<b>Time tranching</b>	The creation of classes or tranches in an ABS/MBS that possess different (expected) maturities.	Introduction to Asset-Backed Securities
1613	<b>Time value decay</b>	Said of an option when, at expiration, no time value remains and the option is worth only its exercise value.	Basics of Derivative Pricing and Valuation
1614	<b>Time value of money</b>	The principles governing equivalence relationships between cash flows with different dates.	The Time Value of Money
1615	<b>Time value</b>	The difference between the market price of the option and its intrinsic value.	Basics of Derivative Pricing and Valuation
1616	<b>Time-weighted rate of return</b>	The compound rate of growth of one unit of currency invested in a portfolio during a stated measurement period; a measure of investment performance that is not sensitive to the timing and amount of withdrawals or additions to the portfolio.	Portfolio Risk and Return: Part I
1617	<b>Tokenization</b>	The process of representing ownership rights to physical assets on a blockchain or distributed ledger.	Fintech in Investment Management
1618	<b>Top-down analysis</b>	An investment selection approach that begins with consideration of macroeconomic conditions and then evaluates markets and industries based upon such conditions.	Portfolio Management: An Overview
1619	<b>Top-down analysis</b>	An investment selection approach that begins with consideration of macroeconomic conditions and then evaluates markets and industries based upon such conditions.	Applications of Financial Statement Analysis
1620	<b>Total comprehensive income</b>	The change in equity during a period resulting from transaction and other events, other than those changes resulting from transactions with owners in their capacity as owners.	Understanding Income Statements
1621	<b>Total cost</b>	The summation of all costs, for which costs are classified as fixed or variable.	Topics in Supply and Demand Analysis
1622	<b>Total factor productivity</b>	A scale factor that reflects the portion of growth that is not accounted for by explicit factor inputs (e.g. capital and labor).	Aggregate Output, Prices, and Economic Growth
1623	<b>Total fixed cost</b>	The summation of all expenses that do not change as the level of production varies.	Topics in Supply and Demand Analysis
1624	<b>Total invested capital</b>	The sum of market value of common equity, book value of preferred equity, and face value of debt.	Applications of Financial Statement Analysis
1625	<b>Total probability rule for expected value</b>	A rule explaining the expected value of a random variable in terms of expected values of the random variable conditional on mutually exclusive and exhaustive scenarios.	Probability Concepts
1626	<b>Total probability rule</b>	A rule explaining the unconditional probability of an event in terms of probabilities of the event conditional on mutually exclusive and exhaustive scenarios.	Probability Concepts

1627	<b>Total return index</b>	An index that reflects the price appreciation or percentage change in price of the constituent securities plus any income received since inception.	Security Market Indexes
1628	<b>Total return</b>	Measures the price appreciation, or percentage change in price of the securities in an index or portfolio, plus any income received over the period.	Security Market Indexes
1629	<b>Total return swap</b>	A swap in which one party agrees to pay the total return on a security. Often used as a credit derivative, in which the underlying is a bond.	Derivative Markets and Instruments
1630	<b>Total variable cost</b>	The summation of all variable expenses.	Topics in Supply and Demand Analysis
1631	<b>Tracking error</b>	The standard deviation of the differences between a portfolio's returns and its benchmark's returns.	Basics of Portfolio Planning and Construction
1632	<b>Tracking risk</b>	The standard deviation of the differences between a portfolio's returns and its benchmarks returns.	Basics of Portfolio Planning and Construction
1633	<b>Trade creation</b>	When regional integration results in the replacement of higher cost domestic production by lower cost imports from other members.	International Trade and Capital Flows
1634	<b>Trade credit</b>	A spontaneous form of credit in which a purchaser of the goods or service is financing its purchase by delaying the date on which payment is made.	Working Capital Management
1635	<b>Trade diversion</b>	When regional integration results in lower-cost imports from non-member countries being replaced with higher-cost imports from members.	International Trade and Capital Flows
1636	<b>Trade payables</b>	Amounts that a business owes to its vendors for goods and services that were purchased from them but which have not yet been paid.	Understanding Balance Sheets
1637	<b>Trade protection</b>	Government policies that impose restrictions on trade, such as tariffs and quotas.	International Trade and Capital Flows
1638	<b>Trade surplus (deficit)</b>	When the value of exports is greater (less) than the value of imports.	International Trade and Capital Flows
1639	<b>Trading securities</b>	Under US GAAP, a category of debt securities held by a company with the intent to trade them.	Understanding Cash Flow Statements
1640	<b>Trading securities</b>	Under US GAAP, a category of debt securities held by a company with the intent to trade them.	Understanding Income Statements
1641	<b>Traditional investment markets</b>	Markets for traditional investments, which include all publicly traded debts and equities and shares in pooled investment vehicles that hold publicly traded debts and/or equities.	Market Organization and Structure
1642	<b>Transactions money balances</b>	Money balances that are held to finance transactions.	Monetary and Fiscal Policy
1643	<b>Transactions motive</b>	In the context of inventory management, the need for inventory as part of the routine production–sales cycle.	Working Capital Management
1644	<b>Transfer payments</b>	Welfare payments made through the social security system that exist to provide a basic minimum level of income for low-income households.	Monetary and Fiscal Policy
1645	<b>Transparency</b>	Said of something (e.g., a market) in which information is fully disclosed to the public and/or regulators.	Derivative Markets and Instruments
1646	<b>Treasury Inflation-Protected Securities</b>	A bond issued by the United States Treasury Department that is designed to protect the investor from inflation by adjusting the principal of the bond for changes in inflation.	Understanding Business Cycles
1647	<b>Treasury stock method</b>	A method for accounting for the effect of options (and warrants) on earnings per share (EPS) that specifies what EPS would have been if the options and warrants had been exercised and the company had used the proceeds to repurchase common stock.	Understanding Income Statements
1648	<b>Tree diagram</b>	A diagram with branches emanating from nodes representing either mutually exclusive chance events or mutually exclusive decisions.	Probability Concepts
1649	<b>Trend</b>	A long-term pattern of movement in a particular direction.	Technical Analysis
1650	<b>Treynor ratio</b>	A measure of risk-adjusted performance that relates a portfolio's excess returns to the portfolio's beta.	Portfolio Risk and Return: Part II
1651	<b>Triangle patterns</b>	In technical analysis, a continuation chart pattern that forms as the range between high and low prices narrows, visually forming a triangle.	Technical Analysis
1652	<b>Trimmed mean</b>	A mean computed after excluding a stated small percentage of the lowest and highest observations.	Statistical Concepts and Market Returns
1653	<b>TRIN</b>	A flow of funds indicator applied to a broad stock market index to measure the relative extent to which money is moving into or out of rising and declining stocks.	Technical Analysis
1654	<b>Triple bottoms</b>	In technical analysis, a reversal pattern that is formed when the price forms three troughs at roughly the same price level; used to predict a change from a downtrend to an uptrend.	Technical Analysis

1655	<b>Triple tops</b>	In technical analysis, a reversal pattern that is formed when the price forms three peaks at roughly the same price level; used to predict a change from an uptrend to a downtrend.	Technical Analysis
1656	<b>Trough</b>	The lowest point of a business cycle.	Understanding Business Cycles
1657	<b>True yield</b>	The internal rate of return on cash flows using the actual calendar including weekends and bank holidays.	Introduction to Fixed-Income Valuation
1658	<b>Trust deed</b>	The governing legal credit agreement, typically incorporated by reference in the prospectus.	Fundamentals of Credit Analysis
1659	<b>Trust deed</b>	The governing legal credit agreement, typically incorporated by reference in the prospectus.	Fixed-Income Securities: Defining Elements
1660	<b>Trust receipt arrangement</b>	The use of inventory as collateral for a loan. The inventory is segregated and held in trust, and the proceeds of any sale must be remitted to the lender immediately.	Working Capital Management
1661	<b>Turn-of-the-year effect</b>	Calendar anomaly that stock market returns in January are significantly higher compared to the rest of the months of the year, with most of the abnormal returns reported during the first five trading days in January.	Market Efficiency
1662	<b>Two-fund separation theorem</b>	The theory that all investors regardless of taste, risk preferences, and initial wealth will hold a combination of two portfolios or funds: a risk-free asset and an optimal portfolio of risky assets.	Portfolio Risk and Return: Part I
1663	<b>Two-sided hypothesis test</b>	A test in which the null hypothesis is rejected in favor of the alternative hypothesis if the evidence indicates that the population parameter is either smaller or larger than a hypothesized value.	Hypothesis Testing
1664	<b>Two-tailed hypothesis test</b>	A test in which the null hypothesis is rejected in favor of the alternative hypothesis if the evidence indicates that the population parameter is either smaller or larger than a hypothesized value.	Hypothesis Testing
1665	<b>Two-week repo rate</b>	The interest rate on a two-week repurchase agreement; may be used as a policy rate by a central bank.	Monetary and Fiscal Policy
1666	<b>Type I error</b>	The error of rejecting a true null hypothesis.	Hypothesis Testing
1667	<b>Type II error</b>	The error of not rejecting a false null hypothesis.	Hypothesis Testing
1668	<b>Unanticipated (unexpected) inflation</b>	The component of inflation that is a surprise.	Monetary and Fiscal Policy
1669	<b>Unconditional probability</b>	The probability of an event not conditioned on another event.	Probability Concepts
1670	<b>Underemployed</b>	A person who has a job but has the qualifications to work a significantly higher-paying job.	Understanding Business Cycles
1671	<b>Underlying</b>	An asset that trades in a market in which buyers and sellers meet, decide on a price, and the seller then delivers the asset to the buyer and receives payment. The underlying is the asset or other derivative on which a particular derivative is based.	Market Organization and Structure
1672	<b>Underlying</b>	An asset that trades in a market in which buyers and sellers meet, decide on a price, and the seller then delivers the asset to the buyer and receives payment. The underlying is the asset or other derivative on which a particular derivative is based.	Derivative Markets and Instruments
1673	<b>Underwriter</b>	A firm, usually an investment bank, that takes the risk of buying the newly issued securities from the issuer, and then reselling them to investors or to dealers, thus guaranteeing the sale of the securities at the offering price negotiated with the issuer.	Fixed-Income Markets: Issuance, Trading, and Funding
1674	<b>Underwritten offering</b>	A type of securities issue mechanism in which the investment bank guarantees the sale of the securities at an offering price that is negotiated with the issuer.	Market Organization and Structure
1675	<b>Underwritten offering</b>	A type of securities issue mechanism in which the investment bank guarantees the sale of the securities at an offering price that is negotiated with the issuer.	Fixed-Income Markets: Issuance, Trading, and Funding
1676	<b>Unearned revenue</b>	A liability account for money that has been collected for goods or services that have not yet been delivered; payment received in advance of providing a good or service.	Understanding Income Statements
1677	<b>Unearned revenue</b>	A liability account for money that has been collected for goods or services that have not yet been delivered; payment received in advance of providing a good or service.	Understanding Balance Sheets
1678	<b>Unemployed</b>	People who are actively seeking employment but are currently without a job.	Understanding Business Cycles
1679	<b>Unemployment rate</b>	The ratio of unemployed to the labor force.	Understanding Business Cycles
1680	<b>Unexpected inflation</b>	The component of inflation that is a surprise.	Monetary and Fiscal Policy



1681	<b>Unit elastic</b>	An elasticity with a magnitude of negative one.	Topics in Supply and Demand Analysis
1682	<b>Unit labor cost</b>	The average labor cost to produce one unit of output.	Understanding Business Cycles
1683	<b>Unit normal distribution</b>	The normal density with mean ( $\mu$ ) equal to 0 and standard deviation ( $\sigma$ ) equal to 1.	Common Probability Distributions
1684	<b>Units-of-production method</b>	A depreciation method that allocates the cost of a long-lived asset based on actual usage during the period.	Long-Lived Assets
1685	<b>Univariate distribution</b>	A distribution that specifies the probabilities for a single random variable.	Common Probability Distributions
1686	<b>Universal owners</b>	Long-term investors, such as pension funds, that have significant assets invested in globally diversified portfolios.	Introduction to Corporate Governance and Other ESG Considerations
1687	<b>Unlimited funds</b>	An unlimited funds environment assumes that the company can raise the funds it wants for all profitable projects simply by paying the required rate of return.	Capital Budgeting
1688	<b>Unsecured debt</b>	Debt which gives the debtholder only a general claim on an issuer's assets and cash flow.	Fundamentals of Credit Analysis
1689	<b>Un-sponsored</b>	A type of depository receipt in which the foreign company whose shares are held by the depository has no involvement in the issuance of the receipts.	Overview of Equity Securities
1690	<b>Unsupervised learning</b>	A machine learning approach that does not make use of labeled training data.	Fintech in Investment Management
1691	<b>Up transition probability</b>	The probability that an asset's value moves up.	Common Probability Distributions
1692	<b>Validity instructions</b>	Instructions which indicate when the order may be filled.	Market Organization and Structure
1693	<b>Valuation allowance</b>	A reserve created against deferred tax assets, based on the likelihood of realizing the deferred tax assets in future accounting periods.	Income Taxes
1694	<b>Valuation ratios</b>	Ratios that measure the quantity of an asset or flow (e.g., earnings) in relation to the price associated with a specified claim (e.g., a share or ownership of the enterprise).	Financial Analysis Techniques
1695	<b>Value at risk</b>	A money measure of the minimum value of losses expected during a specified time period at a given level of probability.	Common Probability Distributions
1696	<b>Value at risk</b>	A money measure of the minimum value of losses expected during a specified time period at a given level of probability.	Basics of Portfolio Planning and Construction
1697	<b>Value at risk</b>	A money measure of the minimum value of losses expected during a specified time period at a given level of probability.	Introduction to Risk Management
1698	<b>Value investors</b>	With reference to equity investors, investors who are focused on paying a relatively low share price in relation to earnings or assets per share.	Applications of Financial Statement Analysis
1699	<b>Variable costs</b>	Costs that fluctuate with the level of production and sales.	Financial Analysis Techniques
1700	<b>Variable costs</b>	Costs that fluctuate with the level of production and sales.	Topics in Supply and Demand Analysis
1701	<b>Variable costs</b>	Costs that fluctuate with the level of production and sales.	Measures of Leverage
1702	<b>Variance</b>	The expected value (the probability-weighted average) of squared deviations from a random variable's expected value.	Probability Concepts
1703	<b>Variance</b>	The expected value (the probability-weighted average) of squared deviations from a random variable's expected value.	Statistical Concepts and Market Returns
1704	<b>Variation margin</b>	Additional margin that must be deposited in an amount sufficient to bring the balance up to the initial margin requirement.	Market Organization and Structure
1705	<b>VaR</b>	A money measure of the minimum value of losses expected during a specified time period at a given level of probability.	Introduction to Risk Management
1706	<b>Veblen goods</b>	Goods that increase in desirability with increasing price.	Topics in Supply and Demand Analysis
1707	<b>Vega</b>	A measure of the sensitivity of an option's price to changes in the underlying's volatility.	Introduction to Risk Management
1708	<b>Venture capital fund</b>	A hedge fund that seeks to buy, optimize, and ultimately sell portfolio companies to generate profits.	Portfolio Management: An Overview
1709	<b>Venture capital</b>	Investments that provide "seed" or startup capital, early-stage financing, or later-stage financing (including mezzanine-stage financing) to companies	Introduction to Alternative Investments

		that are in early development stages and require additional capital for expansion or preparation for an initial public offering.	
1710	<b>Venture capital</b>	Investments that provide “seed” or startup capital, early-stage financing, or later-stage financing (including mezzanine-stage financing) to companies that are in early development stages and require additional capital for expansion or preparation for an initial public offering.	Overview of Equity Securities
1711	<b>Vertical analysis</b>	Common-size analysis using only one reporting period or one base financial statement; for example, an income statement in which all items are stated as percentages of sales.	Financial Analysis Techniques
1712	<b>Vertical demand schedule</b>	Implies that some fixed quantity is demanded, regardless of price.	The Firm and Market Structures
1713	<b>Volatility</b>	As used in option pricing, the standard deviation of the continuously compounded returns on the underlying asset.	Common Probability Distributions
1714	<b>Volatility</b>	As used in option pricing, the standard deviation of the continuously compounded returns on the underlying asset.	Portfolio Management: An Overview
1715	<b>Voluntarily unemployed</b>	A person voluntarily outside the labor force, such as a jobless worker refusing an available vacancy.	Understanding Business Cycles
1716	<b>Voluntary export restraint</b>	A trade barrier under which the exporting country agrees to limit its exports of the good to its trading partners to a specific number of units.	International Trade and Capital Flows
1717	<b>Vote by proxy</b>	A mechanism that allows a designated party — such as another shareholder, a shareholder representative, or management — to vote on the shareholder’s behalf.	Overview of Equity Securities
1718	<b>Warehouse receipt arrangement</b>	The use of inventory as collateral for a loan; similar to a trust receipt arrangement except there is a third party (i.e., a warehouse company) that supervises the inventory.	Working Capital Management
1719	<b>Warrant</b>	Attached option that gives its holder the right to buy the underlying stock of the issuing company at a fixed exercise price until the expiration date.	Fixed-Income Securities: Defining Elements
1720	<b>Weak-form efficient market hypothesis</b>	The belief that security prices fully reflect all past market data, which refers to all historical price and volume trading information.	Market Efficiency
1721	<b>Wealth effect</b>	An increase (decrease) in household wealth increases (decreases) consumer spending out of a given level of current income.	Aggregate Output, Prices, and Economic Growth
1722	<b>Weighted average cost method</b>	An inventory accounting method that averages the total cost of available inventory items over the total units available for sale.	Understanding Income Statements
1723	<b>Weighted average cost of capital</b>	A weighted average of the aftertax required rates of return on a company’s common stock, preferred stock, and long-term debt, where the weights are the fraction of each source of financing in the company’s target capital structure.	Cost of Capital
1724	<b>Weighted average coupon rate</b>	Weighting the mortgage rate of each mortgage loan in the pool by the percentage of the mortgage outstanding relative to the outstanding amount of all the mortgages in the pool.	Introduction to Asset-Backed Securities
1725	<b>Weighted average life</b>	A measure that gives investors an indication of how long they can expect to hold the MBS before it is paid off; the convention-based average time to receipt of all principal repayments.	Introduction to Asset-Backed Securities
1726	<b>Weighted average maturity</b>	Weighting the remaining number of months to maturity for each mortgage loan in the pool by the amount of the outstanding mortgage balance.	Introduction to Asset-Backed Securities
1727	<b>Weighted mean</b>	An average in which each observation is weighted by an index of its relative importance.	Statistical Concepts and Market Returns
1728	<b>Wholesale price index</b>	Reflects the price changes experienced by domestic producers in a country.	Understanding Business Cycles
1729	<b>Winsorized mean</b>	A mean computed after assigning a stated percent of the lowest values equal to one specified low value, and a stated percent of the highest values equal to one specified high value.	Statistical Concepts and Market Returns
1730	<b>Working capital management</b>	The management of a company’s short-term assets (such as inventory) and short-term liabilities (such as money owed to suppliers).	Working Capital Management
1731	<b>Working capital</b>	The difference between current assets and current liabilities.	Financial Analysis Techniques
1732	<b>Working capital</b>	The difference between current assets and current liabilities.	Understanding Balance Sheets
1733	<b>World price</b>	The price prevailing in the world market.	International Trade and Capital Flows
1734	<b>Yield duration</b>	The sensitivity of the bond price with respect to the bond’s own yield-to-maturity.	Understanding Fixed-Income Risk and Return
1735	<b>Yield</b>	The actual return on a debt security if it is held to maturity.	Working Capital Management

1736	<b>Yield to maturity</b>	Annual return that an investor earns on a bond if the investor purchases the bond today and holds it until maturity. It is the discount rate that equates the present value of the bond's expected cash flows until maturity with the bond's price.	Cost of Capital
1737	<b>Yield to maturity</b>	Annual return that an investor earns on a bond if the investor purchases the bond today and holds it until maturity. It is the discount rate that equates the present value of the bond's expected cash flows until maturity with the bond's price.	Fixed-Income Securities: Defining Elements
1738	<b>Yield to maturity</b>	Annual return that an investor earns on a bond if the investor purchases the bond today and holds it until maturity. It is the discount rate that equates the present value of the bond's expected cash flows until maturity with the bond's price.	Introduction to Fixed-Income Valuation
1739	<b>Yield to redemption</b>	Annual return that an investor earns on a bond if the investor purchases the bond today and holds it until maturity. It is the discount rate that equates the present value of the bond's expected cash flows until maturity with the bond's price.	Fixed-Income Securities: Defining Elements
1740	<b>Yield-to-worst</b>	The lowest of the sequence of yields-to-call and the yield-to-maturity.	Introduction to Fixed-Income Valuation
1741	<b>Zero-coupon bonds</b>	Bonds that do not pay interest during the bond's life. It is issued at a discount to par value and redeemed at par.	Fixed-Income Securities: Defining Elements
1742	<b>Zero volatility spread (Z-spread)</b>	Calculates a constant yield spread over a government (or interest rate swap) spot curve.	Introduction to Fixed-Income Valuation