

1. The role of real assets such as buildings, machines, land and knowledge is:
  - a) To define the capacity of production of good and services of an economy.
  - b) To be the means by which individuals in an economy can hold the income generated by the real assets in the process of production of good and services.
  - c) None of the above.

Answer:

The correct answer is a.

Real assets are those that produce goods and services in the economy.

2. TRUE OR FALSE.

Financial assets are securities in which individuals can invest their wealth with the expectation to obtain a return in the future.

Answer:

The correct answer is **True**.

Financial assets are claims to future cash flows. Examples are bonds, stocks, derivatives, etc.