

COMPLETE THE DEFINITIONS

A bear

a person who _____ shares, a particular currency, etc., hoping to _____
(3 words) them later at a _____ price because they think prices are going to
_____ rather than _____.

A bull

a person who _____ shares, a particular currency, etc., hoping to _____
(3 words) them afterwards at a _____ price because they think prices are going to
_____ rather than _____.

COURSEBOOK, p. 75; KEY NOTES

Answer the following questions:

1. What does ROI stand for? What does the phrase mean?
2. Where does the money for a new business come from?
3. Who are business angels?
4. Who are fund managers?
5. What are ethical investments?

COURSEBOOK, p. 77; READING

Answer the following questions:

1. Do people always make rational and wise decisions about their professional future? What do they mostly base their vital decisions on?
2. Who is Daniel Kahneman and what is he famous for?
3. Professor Kahneman's advice is often sought after by many investors. T/F
4. People usually show an enormous interest in getting to know the roots of their poor decisions. T/F
5. When investing in stocks and shares people base their decision on long-term returns of their previous investments. T/F
6. In which other areas of life do people's expectations prove to be unrealistic?
7. Unlike in the area of personal relationships people are never guided by their first impressions when it comes to negotiating a price with a new acquaintance. T/F
8. What does bias mean?
9. What is the so-called home bias?
10. How is fear of failure demonstrated in the way people value gains and losses?
11. People usually spend too much time making small decisions at the expense of big decisions. T/F (support your answer by examples from the text).
12. Why is it not wise to spend too much time regretting past decisions? How can regretting past decisions show in the behaviour of investors?
13. Why are governments likely to behave more irrationally than businesses?