

Authentic Listening

Source: <http://www.abc.net.au/worldtoday/content/2012/s3412233.htm>

Smart money goes into shares: study



1. Where was the study conducted?

2. What kind of people were IQ tested? What was the reason behind choosing this particular group?

3. What was the participation rate for stock market investments for subjects with the lowest IQ? _____ the highest IQ? _____
4. In addition to 'raw' IQ, which 4 other factors must be considered?
 - a) _____
 - b) _____
 - c) _____
 - d) _____
5. What is the adjusted difference in stock market participation rate?

6. What explanation is given for the difference in share market performance among different subjects?

7. Complete the following sentence:
It's generally advisable to invest in an index fund unless _____

8. How does the performance of the bond market compare to the performance of the share market in the last century or so? _____
in the last 2 decades? _____
9. True or False?
 - a) _____ Most subjects of the study have put all their money into stock market.
 - b) _____ The study looked at people with substantial investments in the stock market.
 - c) _____ Even people with high risk aversion should consider investing in the stock market.

