THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1.	What are the main differences between common and preferred stock?	
2.	What factors affect the issue value of a stock?	
3.	Common stockholders have the right to a. vote for members of the board of directors b. receive a set amount of dividends c. receive payment before preferred stockholders d. convert their stock into other types of securities	
4.	When a company first issues shares of stock, it is referred to as the market. a. stock b. bond c. primary d. secondary	
5.	An initial public offering refers to a. issuing foreign bonds b. selling stock without using an investment banker c. doubling the number of shares of stock d. a company going public	
6.	True or False? Most preferred stockholders select preferred stock so they will be able to vote for corporate officers.	
7.	True or False? On a daily basis, most investors buy and sell shares of stock through the primary market.	
TE	TEAMWORK	

Discuss in pairs or small groups and then write your conclusions below.

8. In your team, prepare a list of advantages and disadvantages of (a) a company regularly paying dividends, and (b) a company not paying dividends.