

It's time to retest your investment personality

Three years ago, I asked you to check your investment personality. It's time to retest your personality to see if it has changed.

Have you ever analyzed your investment personality? Is it aggressive, cautious, confident or speculative?

The following quiz and results are designed to determine your investment personality.

A. I consider myself the following kind of investor:

1. cautious
2. subjective
3. action-oriented (anxious to buy and sell frequently)
4. sound
5. objective

B. I like to think of the stock market as a place:

1. where I can make a lot of money within a relatively short time
2. where I can build a sound investment portfolio
3. where I can invest all my savings safely
4. where I can gamble
5. which is a never-never land

C. I am a person who:

1. likes action in the market
2. takes a cautious but optimistic approach to investing
3. acts on intuition in the market
4. feels comfortable when I blindly carry out my broker's recommendations
5. knows so little about the market that I should not operate in it

D. I would consider myself a successful investor if I were to:

1. make money every time I sell a stock
2. realize a net gain from my investment every year
3. double my money every two years
4. make 25 percent on my investment every year
5. gain on an average 10-15 percent a year in the long run (over 5-10 year period)

E. If my past investment record were a shameful one, this would suggest that:

1. I had a very bad broker
2. I failed to do my investment homework properly
3. I lost money only because the market in general was bad
4. big traders fixed the prices and made money at my expense
5. I should have sold my losing stocks and switched to some that were getting ready for major moves

F. If I ever need information about a stock, I would obtain it:

1. from a broker
2. from a successful investor
3. from a number of reliable sources
4. from the company
5. from an advisory service

G. When I look at the price of a stock, I like to think of this price as being:

1. synonymous with the value of that stock
2. somehow related to the value of the stock but not necessarily equal to it
3. too low, too high, or just right, depending upon the amount of money I have
4. an index of popularity of the stock
5. of little consequence, since the ruling price can be totally out of line with what it should be

H. I would consider a stock worth buying if:

1. its price has been going up consistently
2. it is low-priced
3. I had read something good about the company that issued the stock
4. some advisory service has recommended it
5. some of my successful investor friends own the stock

I. Before making a decision to buy or sell a stock, I would like to:

1. investigate the stock as long as possible because I am never in a hurry to buy stocks
2. spend very little time for fear I might lose the buying opportunity forever
3. get as many views on the stock as possible
4. re-evaluate my investment objectives
5. first decide whether the market situation is ideal for making such a move

J. If my broker recommends I sell a stock I am holding, I should:

1. ignore his recommendation on the grounds that he is trying to make money for himself
2. investigate his reasons for giving me this advice
3. find out whether or not I could put my money in a better stock before deciding whether or not I should sell my stock
4. sell the stock right away
5. sell it if I could make a profit, but hold it if I would have to take a loss

K. If I were forced to take a loss in the stock market, I would:

1. consider my misfortune as part of the game
2. get terribly upset
3. check to see if I have made any profits in the recent past to offset the loss
4. make a serious attempt to learn from my misfortune
5. try to take my loss philosophically

L. If my broker were to call up and recommend that I buy a certain stock, I should:

1. buy the stock without delay
2. ask the broker if he has his interest or mine at heart
3. request the broker to send me all the relevant information he has on the stock
4. tell the broker I am going to think about his recommendation so as not to hurt his feelings and then do nothing about it
5. examine all the facts dispassionately and then make a decision

M. If the price of a stock were to decline sharply after I purchased it, I should:

1. be critical of myself for failing to get rid of the stock earlier
2. sell the stock at a loss and charge the loss to my bad luck
3. hold the stock until its price goes up so I may recover my loss
4. buy more of that stock to bring my average purchase price down
5. investigate the stock thoroughly before making another move

N. Buying at the low and selling at the high:

1. is the only way to invest in the stock market
2. is the best investment objective
3. is a worthwhile goal to pursue
4. can rarely be attained
5. should always be seriously attempted, even if it is difficult

O. If a stock I didn't own were to make a major move, I would:

1. not touch it with a 10-foot pole
2. grab it before the price advances even further
3. investigate the company which issued the stock before buying the stock
4. watch the stock closely
5. try to buy it on a short-term dip

P. I prefer to treat the past performance of a stock as:

1. of no consequence
2. of some importance
3. of utmost importance in a bull (rising) market, but of little importance in a bear (falling) market
4. only one factor to consider
5. of significance when the price of that stock is declining

Q. If the price of a stock I had purchased were to go up substantially, I would:

1. sell it
2. hold it in the hope I might make more money
3. buy more shares of it hoping the price would continue to rise
4. watch the price action on it carefully for a while
5. investigate the company thoroughly before making up my mind about selling the stock

R. I consider the study of some leading stock market averages (for instance, the Dow Jones Industrial Average):

1. to be of little value
2. of great importance in making investment decisions
3. of importance only for the charists (those who graph fluctuations in market averages)
4. useless, because what good is it to know where the market has been
5. important only for buying and selling stocks, but not for holding them

S. If the price of a stock I had purchased were to go down substantially, I should:

1. buy more of it to average my buying price
2. sell it immediately
3. switch to a stock that is performing better
4. ask my broker for advice
5. hold that stock for my children



finances and you

Sid Mittra

2. wish to play the game defensively
3. like to have a fixed monthly income
4. have lots of money to play with
5. possess technical knowledge about the market

Y. I have heard that every investor should attempt to buy different kinds (such as speculative, income, growth) of stocks so his/her twin objectives of safety and appreciation in investment are simultaneously met. I think this idea:

1. is a sound one
2. is basically bad
3. should not be treated as a universal investment concept since each investor must buy stocks according to his own needs
4. is an excellent one only for those who are wealthy and can purchase lots of stocks
5. can work successfully in a bull (rising) market but not in a bear (falling) market

Z. During the next three years or so,

- I expect to:
1. make a lot of money on the stock market
 2. become a professional investor
 3. stay in the market and try to break even
 4. do better than the average investor
 5. learn a lot about the market and become an intelligent investor

Educational seminar: The effect of proposed tax legislation on your 1988 investment, tax and retirement planning will be the topic of the seminar sponsored by Observer & Eccentric Newspapers and Coordinated Financial Planning Inc. 7-9:30 p.m. Tuesday, June 10. The seminar will be held at the Kingsley Inn, 1475 N. Woodward, Bloomfield Hills. To register, call 648-8888.

Sid Mittra is director of certificate program in personal finance at Oakland University and president of Coordinated Financial Planning Inc. in Troy.

Answers to Investment Personality Detector Quiz

| Questions | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | E | F | G | H | I | J | K | L | M |
| 1 | 3 | 1 | 1 | 1 | 2 | 4 | 2 | 3 | 2 | 2 | 3 | 1 |
| 2 | 2 | 5 | 5 | 2 | 5 | 1 | 5 | 1 | 1 | 5 | 1 | 1 |
| 3 | 1 | 2 | 1 | 1 | 3 | 5 | 1 | 5 | 5 | 2 | 1 | 5 |
| 4 | 4 | 1 | 1 | 2 | 1 | 3 | 3 | 4 | 2 | 1 | 6 | 1 |
| 5 | 5 | 3 | 2 | 5 | 1 | 3 | 1 | 1 | 3 | 1 | 3 | 4 |

| N | O | P | Q | R | S | T | U | V | W | X | Y | Z |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | 3 | 1 | 1 | 2 | 2 | 1 | 5 | 1 | 1 | 1 | 2 |
| 2 | 1 | 1 | 3 | 1 | 5 | 1 | 2 | 2 | 3 | 5 | 1 | 1 |
| 3 | 2 | 5 | 2 | 2 | 1 | 1 | 5 | 4 | 3 | 5 | 2 | 6 |
| 4 | 5 | 4 | 5 | 4 | 1 | 5 | 1 | 1 | 5 | 2 | 1 | 1 |
| 5 | 3 | 1 | 1 | 5 | 2 | 1 | 4 | 1 | 3 | 1 | 3 | 2 |

Total Grade

28-51

52-91

92-130

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Cautious and uncertain

Sound and confident

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| 500,000 | 320 | 430 | 625 | 970 | 1,540 | 2,385 | 3,485 |
| 1,000,000 | 590 | 1,000 | 1,426 | 2,120 | 2,820 | 4,400 | 6,895 |

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