

## Section 12

# Sentiment

### Section Review Questions

#### Question 1

Sentiment indicators attempt to measure the degree of bullishness or bearishness in a market and are considered to be \_\_\_\_\_ indicators.

- a) Confirmation
- b) Contrarian
- c) Lagging
- d) Fundamental

#### Question 2

Which of the following is the correct calculation for the Put/Call Ratio?

- a) Put price / Call price
- b) Put volume X Call volume
- c) Put price X Call price
- d) Put volume / Call volume

#### Question 3

The Put/Call ratio is a contrary indicator. When using this indicator, if put volume is at extremely high levels then a contrarian investor would be \_\_\_\_\_.

- a) Bullish
- b) Bearish
- c) Neutral
- d) None of the above

#### Question 4

A classic example of irrational crowd behavior that was portrayed in Charles Mackay's book, *Extraordinary Popular Delusions and the Madness of Crowds* was:

- a) Flash Crash
- b) Ponzi Scheme
- c) Tulipomania
- d) Russian financial crisis

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**Section Review Answers**

- 1) b**
- 2) d**
- 3) a**
- 4) c**