

QUESTION

Which of the following is a characteristic of a **primary market**?

A. It is the first market where a security is sold.
 B. It is the market where a security is first traded.
 C. It is the market where a security is first bought.
 D. It is the market where a security is first sold.

ANSWER

The correct answer is **A**. A primary market is the first market where a security is sold. It is the market where a security is first sold, not first traded, first bought, or first sold.

QUESTION

Which of the following is a characteristic of a **secondary market**?

A. It is the first market where a security is sold.
 B. It is the market where a security is first traded.
 C. It is the market where a security is first bought.
 D. It is the market where a security is first sold.

ANSWER

The correct answer is **B**. A secondary market is the market where a security is first traded. It is the market where a security is first traded, not first sold, first bought, or first sold.