

Landmarks in Financial History

Finance · Answer Key · 10 Questions

1. Which institution is widely recognized as the world's first modern central bank, established in 1668?

- A) The Bank of England
- B) The Sveriges Riksbank**
- C) The Bank of Amsterdam
- D) The Bank of France

2. What was the primary purpose of the 'Buttonwood Agreement' of 1792, which led to the creation of the New York Stock Exchange?

- A) To establish a common currency
- B) To regulate the trade of government bonds
- C) To standardize commission rates for securities trading**
- D) To form a national treasury

3. The first formal 'gold standard' was officially adopted by which country in 1821, linking its currency directly to gold bullion?

- A) United Kingdom**
- B) United States
- C) Germany
- D) Japan

4. In which city did the world's first formal stock exchange open in 1602, primarily to trade shares of the Dutch East India Company?

- A) London
- B) Paris
- C) Amsterdam**
- D) Antwerp

5. The 'Black-Scholes' model, a landmark discovery in financial mathematics published in 1973, is primarily used for what?

- A) Calculating credit default risk
- B) Pricing European-style options**
- C) Predicting market crashes
- D) Measuring national inflation

6. Who is credited with creating the first index fund available to the general public in 1976?

A) Benjamin Graham

B) John Bogle

C) Warren Buffett

D) Peter Lynch

7. The 'Tulip Mania' of the 1630s in the Netherlands is often cited as the first recorded instance of what?

A) A fiat currency collapse

B) A speculative asset bubble

C) A hostile corporate takeover

D) A hostile central bank takeover

8. What was the name of the first credit card, introduced in 1950, which required the balance to be paid in full at the end of each month?

A) Visa

B) Diners Club

C) American Express

D) MasterCard

9. In 1866, the first successful transatlantic telegraph cable was completed, which fundamentally changed global finance by enabling what?

A) Real-time stock price synchronization

B) International currency conversion

C) The first digital ledger

D) High-frequency algorithmic trading

10. The first 'ETF' (Exchange Traded Fund) was launched in the United States in 1993; which index did it track?

A) Dow Jones Industrial Average

B) Nasdaq 100

C) S&P 500

D) Russell 2000