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The information to help you answer these questions can be found on apfc.org or in [An Alaskan's Guide to the Permanent Fund \(pdf\)](#).

1. What other government created a Fund that came from oil revenues around the same time that Alaska created the Permanent Fund?

1. British Columbia, Canada
2. Alberta, Canada
3. California

2. In what year did the oil company Atlantic Richfield strike oil in Prudhoe Bay - setting off the first big "Oil Boom" in Alaska?

1. 1968
2. 1959
3. 2000

3. Where is Prudhoe Bay?

1. On the North Slope of Alaska
2. In Western Russia
3. In Valdez, Alaska

4. Why is oil valuable?

1. You can burn it for fuel
2. You can use it all up - it's finite
3. You can make lots of things out of it
4. All of the above.

5. Who is supposed to benefit from the oil wealth created in Alaska?

1. The State of Alaska
2. The oil companies and their employees
3. All current and future generations of Alaskans
4. All of the above

6. Who created the Permanent Fund?

1. Governor Jay Hammond
2. A majority of voters by constitutional amendment
3. Representative Hugh Malone

7. Who manages the Permanent Fund?

1. The Alaska Permanent Fund Corporation
2. The Permanent Fund Dividend Division
3. The Alaska State Legislature

8. What is the Permanent Fund principal?

1. The basic amount invested; not earnings
2. That part that cannot be spent
3. The part from oil revenues, inflation proofing, special appropriations and appreciation of investments
4. All of the above

9. The Alaska Legislature can spend the Permanent Fund principal on

1. Roads, state buildings, and schools only
2. To pay for state government
3. Dividends
4. None of the above

10. The Alaska Legislature can spend the Permanent Fund income on

1. Inflation proofing the Fund
2. Dividends
3. To pay for state government
4. All of the above

11. What is a Permanent Fund Trustee?

1. A person who makes decisions about investing the Permanent Fund
2. An individual appointed by the Governor to serve on the Alaska Permanent Fund Corporation Board of Trustees
3. A and B

12. How are Permanent Fund Trustees selected?

1. Trustees are appointed by the Legislature
2. The Governor appoints them
3. Any Alaskan over 18 years of age who knows about investing can join the Board

13. How many people are on the Alaska Permanent Fund Board of Trustees?

1. One hundred
2. Six
3. Fifty

14. What is the Board of Trustees' earnings goal for the Permanent Fund?

1. To earn 5% more than inflation each year on average over any ten-year period
2. To maximize income irrespective of risk
3. To make more than Bill Gates

15. What is the Permanent Fund Board of Trustees' most important job?

1. To invest the Fund safely
2. To maximize Fund income regardless of risk
3. To run the dividend program



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Fund Quiz 2, 24 questions about your Permanent Fund

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Alaskan's Guide to the Permanent Fund

The information to help you answer these questions can be found on apfc.org or in [An Alaskan's Guide to the Permanent Fund \(pdf\)](#).

1. How does the Alaska Permanent Fund Corporation maximize the value of the Permanent Fund?

- A By making prudent, long-term investments in a diversified portfolio
- B By keeping the Fund in the bank earning a steady, dependable rate of interest
- C By investing most of the Fund in promising high-tech stocks and hedge funds

2. What is the job of the Alaska Permanent Fund Corporation?

- A To tell the Governor how to invest the Permanent Fund
- B To give out dividends every year to all qualified Alaskans
- C To manage the Permanent Fund investments

3. Who are the beneficiaries of the Permanent Fund?

- A People born in Alaska before 1974
- B People who fill out their dividend applications correctly
- C Current and future generations of Alaskans

4. Which scenario is likely to happen in Alaska's future?

- A Alaska's oil revenues will decline because oil is a non-renewable resource
- B Permanent Fund income increases as the amount of assets under investment increases
- C Both of the above

5. What are the part/s of the Permanent Fund?

- A There is only one part of the Fund: the principal, which cannot be spent.
- B The Permanent Fund is comprised of 100% earnings from investments
- C The principal and the earnings reserve

6. Who decides how to spend Permanent Fund earnings?

- A The Legislature
- B The voters, in a special election
- C The Permanent Fund Board of Trustees

7. How does money get into the Permanent Fund principal?

- A Occasionally, the Legislature puts money from the Fund earnings into Fund principal.
- B Every year, the Legislature adds money from Fund earnings into Fund principal to offset inflation.
- C From oil revenue the state receives
- D If the value of Fund investments increases, that increase goes into principal
- E All of the above

8. How does money get into the Permanent Fund earnings?

- A Interest and profits from sales are earned on bond investments
- B Dividends and profits from sales are earned on stock investments
- C Rent and profits from sales are earned on real estate investments
- D All of the above

9. Who administers the Permanent Fund Dividend program?

- A The Alaska Permanent Fund Corporation
- B The Dividend Division in the Department of Revenue
- C A board comprised of concerned citizens

10. How much money is currently in the Permanent Fund principal?

- A Between \$5 and \$10 billion
- B Between \$40 and \$50 billion
- C None; it is all paid out in dividends each year

11. How much money is currently in the entire Permanent Fund?

- A There is no way of knowing this figure
- B Between \$40 and \$55 billion
- C \$597,340,000,000,000.00

12. Which is the Fund's largest asset class?

- A Stocks
- B Real estate
- C Bonds
- D Alternative investments, such as hedge funds

13. What has Permanent Fund Board of Trustees proposed to protect, improve and modernize the Fund?

- A The Mackie Plan
- B Alternative investments, such as hedge funds
- C Percent of Market Value (POMV) spending limit

14. Which will be most likely to add the most money to Fund principal in the future?

- A Oil/mineral revenues
- B Annual inflation proofing of the oil/mineral revenue deposits into the fund
- C Special appropriations from the Legislature into the fund
- D Appreciation of fund investments

15. Where does the Legislature get money for special appropriations to Fund principal?

- A By selling state surplus equipment
- B From any earnings reserve money left over after dividends and inflation proofing
- C From the federal government

16. If an Alaskan had collected every PFD since 1982, about how much money would she or he have received after the 2014 dividend?

- A \$37,027
- B \$370,270
- C \$3,702

17. Who or what determines how big the dividends will be each year?

- A The Permanent Fund Board of Trustees
- B The Alaska Constitution
- C A formula in state law, which was passed by the State Legislature

18. Why does the Legislature inflation proof the Fund?

- A To protect the purchasing power of the Fund
- B To prevent the Fund from inflating too fast
- C To prove that inflation exists

19. What is the earnings reserve account?

- A Part of the Constitutional Budget Reserve
- B The part of the Permanent Fund that is not principal
- C The part of the Fund that cannot be spent

20. Who really owns the Permanent Fund?

- A A group of private investors in New York City
- B The state of Alaska
- C The Trustees of the Alaska Permanent Fund Corporation

21. Where is the Alaska Permanent Fund Corporation located?

- A It is headquartered in Anchorage but has offices around the world.
- B On Wall Street
- C In Alaska's capital city, Juneau

22. How many states in the U.S. issue an annual dividend check to residents?

- A Alaska only
- B Texas, Oklahoma, Alaska, and Louisiana - the four "big oil" states
- C All states do; but the money doesn't necessarily come from oil - it can come from farming, for example

23. What state's residents have the lowest overall taxes?

- A Connecticut
- B Alaska
- C Vermont

24. How can students find out more about the Permanent Fund?

- A Bookmark www.apfc.org
- B Watch the news on TV, listen to radio news, read the newspaper
- C Go to a meeting of the Fund's Board of Trustees
- D Visit the Alaska Permanent Fund Corporation office with my class
- E All of the above

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Fund quiz 3, 10 questions about investing your Permanent Fund

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The information to help you answer these questions can be found on [apfc.org](#) or in [An Alaskan's Guide to the Permanent Fund \(pdf\)](#).

1. What is an asset class?

- A A university course about assets
- B A category of investment
- C A very large sum of money

2. A fiduciary is

- A A person or company holding assets in trust for a beneficiary
- B A company engaged in making loans to businesses and/or individuals
- C A high-speed, computerized communications network used for investing

3. What is a stock?

- A Ownership in a corporation, represented by one or more shares
- B A loan to a government or business
- C A piece of property and all the physical property related to it

4. What is a bond?

- A A certificate that proves ownership of commercial or retail property
- B An "IOU" that states how and when a borrower will pay back a lender
- C An official document stating number of shares owned

5. What is real estate?

- A A palatial manor inhabited by a very wealthy individual or individuals
- B Any piece of property and the physical property related to it
- C Only property that is owned by a business or government

6. What is a security?

- A Evidence of debt or ownership
- B A general term referring to conventional stock, bond and real estate investments
- C Documentation signifying ownership in a corporation or a creditor relationship with a corporation or government, or rights to ownership
- D All of the above

7. What investment strategy helps to protect an investor from volatility?

- A Hedging
- B Diversification
- C A bull market

8. What investment guideline does the Permanent Board of Trustees follow?

- A Keep "all your eggs in one basket"
- B 100% high risk, high returns
- C The Prudent Investor Rule

9. What does the Prudent Investor Rule state?

A Fiduciaries may invest only in a restricted list of securities, called the "legal list"

B Stocks are the superior investment over the long run

C A fiduciary must act with discretion and intelligence, seek reasonable income, preserve principal and avoid speculative investments

10. What is the profit from an investment, expressed as a percentage of the amount invested called?

A Dividend

B Interest rate

C Rate of return

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