APFC Quiz 2

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. All 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. The Legislature may appropriate money from the Earnings Reserve to the Principal
   b. The Legislature may appropriate money from Earnings Reserve to the Principal to offset inflation.
   c. From dedicated oil revenue the State receives
   d. All of the above
8. **How does money flow into the Permanent Fund Earnings Reserve?**
   - 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 Permanent Fund 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 $25 and $35 billion
    - b. Between $40 and $65 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 $50 and $75 billion
    - c. $597,340,000,000,000,000.00

12. **Which is the Fund's largest asset class?**
    - a. Stocks
    - b. Real estate
    - c. Bonds
    - d. Alternative investments, such as hedge funds

13. **Which will be most likely to add the most money to the Fund 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

14. **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

15. **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

16. **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
17. **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

18. **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

19. **How can students find out more about the Permanent Fund?**
   a. Visit www.apfc.org
   b. Watch the news on TV, listen to radio news, read the newspaper
   c. Go to an APFC Board of Trustees meeting
   d. All of the above