

- D 1. When you are looking for a used car, this resource will help you best determine the value of a particular make and model:
- A. Road and Track
 - B. Car and Driver
 - C. Consumer Reports
 - D. Kelley Blue Book
- A 2. As a part of the Bureau of Consumer Protection, this agency educates consumers and businesses about their rights and responsibilities:
- A. Federal Trade Commission
 - B. Consumer Product Safety Commission
 - C. Food and Drug Administration
 - D. Federal Consumer Information Center
- A 3. To balance your checkbook:
- A. Subtract any checks in your check register that are not marked as cleared
 - B. Subtract any deposits in your check register that have not been marked as cleared
 - C. Add the interest paid and bank charges to the register balance
 - D. Add any checks in your check register that are not marked as cleared
- B 4. Which of the following is the best definition of a minimum payment on a credit card?
- A. A fee that must be paid whether the card is used or not
 - B. The smallest payment that will keep a credit card holder in good standing with the lender
 - C. The interest on the purchases that were made on the credit card
 - D. A low introductory payment offered by the lender for a few months until the card holder has established good credit
- B 5. Credit history includes:
- A. Library fines
 - B. Savings and credit card accounts
 - C. Being a good friend
 - D. Only positive items, regardless of your borrowing past

- D 6. A plan for a career starting in two years:
- A. Will give you less opportunities than a career starting right away
 - B. Means that no plans or training are necessary, since the goal is two years away
 - C. Cannot benefit from talking to a counselor or consulting a book
 - D. Will give you more opportunities than a career starting right away
- C 7. A store is offering 15% off an item that was priced at \$99. What is the new price of the item?
- A. \$85.15
 - B. \$14.85
 - C. \$84.15
 - D. \$99.15
- D 8. A warranty from the manufacturer covers:
- A. Everything that goes wrong for a year
 - B. All moving parts
 - C. Nothing after sixty days
 - D. Only what is included in the statement
- B 9. Oh no! Someone stole your credit card and charged \$2,500 worth of purchases before you even knew the card was missing. How much of the unauthorized charges can you be required to pay?
- A. zero
 - B. \$50
 - C. \$250
 - D. \$2,500
- A 10. You can best compare credit card offers by looking at these two features:
- A. APR and fees
 - B. Minimum payment
 - C. Principal and interest
 - D. Introductory rate and credit limit

- C 11. You forgot to pay last month's credit card bill. Your creditor will probably:
- A. Cancel your account
 - B. Send you a reminder to pay the bill
 - C. Add finance charges and late fees to your bill
 - D. Reduce your minimum payment
- C 12. Chandra likes her new credit card. She uses it whenever she can, but she's careful to stay below her credit limit. After two months she notices her credit card bill includes huge finance charges. She chose her card because it featured 0% APR, so she doesn't think she should have any finance charges at all. What is the most likely explanation for the finance charges on Chandra's bill?
- A. The credit card company made a billing error
 - B. This is a case of credit card fraud
 - C. The introductory rate on the card is no longer in effect
 - D. The APR does not apply because she is under the credit limit
- D 13. If you get your first credit card while you're a full-time student, what can you expect about the card's APR on outstanding balances?
- A. It will probably be about the same as the APR on your parents' card
 - B. It will probably be low
 - C. It will probably be low until you graduate, and then it will rise
 - D. It will probably be high
- A 14. Matt has \$471.60 in his checking account and feels he's doing pretty well financially. Then his car stops running. His mechanic is able to fix it in a day, but with the towing charges, parts, and mechanic's labor, he now needs to pay the service center \$624.11 so he can drive his car to work. Of the following choices, which is the best course of action for Matt?
- A. Pay the service center with his Visa credit card
 - B. Pay the service center with his MasterCard debit card
 - C. Write a check for \$624.11 and hope the service center doesn't take it to the bank before next payday
 - D. Call his employer to say he won't be able to come to work

- C 15. When you borrowed \$50 from your rich cousin, and then had to pay her back \$60, what is the original \$50 called?
- A. Bribery
 - B. Interest
 - C. Principal
 - D. Credit
- B 16. You ran short of cash and borrowed \$50 from your rich cousin. When you paid her back, she insisted that you owed \$60. What is the extra \$10 called?
- A. Bribery
 - B. Interest
 - C. Principal
 - D. Credit
- D 17. A business that gives you a loan is:
- A. A credit bureau
 - B. A debt collection agency
 - C. A credit counseling agency
 - D. A creditor
- B 18. Your return with a diversified portfolio will:
- A. Be exactly 11.3% every year
 - B. Rise and fall, but have less risk than a smaller number of stocks and a smaller number of sectors and asset classes
 - C. Fall if a single company in your portfolio goes out of business
 - D. Beat absolutely every other investor
- A 19. Over about 40 years, your portfolio should probably:
- A. Change from higher-risk to lower-risk investments
 - B. Sell every holding each year to figure out how well you are doing
 - C. Grow equally well in all sectors, or it is a bad financial plan
 - D. Become less and less conservative, increasing in risk from year to year

C 20. A defensive stock:

- A. Is part of the manufacturing sector that sells to the Department of Defense
- B. Is owned by a company that is currently having a strong downturn
- C. Is the type of stock that holds a steady value, such as an insurance company
- D. Has a small market capitalization

 B 21. Market capitalization:

- A. Is the difference between the 10-year high and 10-year low of a stock
- B. Is the total number of outstanding shares of a company's stock multiplied by the stock price
- C. Does not change once you buy a stock
- D. Is \$2 billion to \$200 billion

 D 22. Growth stocks:

- A. Are mainly good investments for those who need income from dividends
- B. Are those with a market capitalization of between \$2 billion and \$200 billion
- C. Are easily identified because they are everyday household names
- D. Require research from an investor, pour most of their income back into growing the business, and have the potential to do very well as part of a portfolio

 C 23. A bear market:

- A. Is when people rush to buy stocks, sending prices surging upward
- B. Is when bond prices and interest rates are not as attractive as the growth in the stock market
- C. Can be an opportunity for long term investors to buy stocks of well run companies at lower prices
- D. Happens every year at about the same time, and can be avoided with proper attention to the calendar

 A 24. Long term investors:

- A. Sit tight through bull markets and bear markets
- B. Buy and sell on a daily basis
- C. May adjust their holdings to sell when others are selling and markets are falling
- D. Always lose money in the long run

- C 25. A personal investing plan:
- A. Should be prepared every six months by a different financial advisor
 - B. Is a good way to build toward a financial goal
 - C. Will always have funds from a single mutual fund company
 - D. Will focus on small-cap stocks for those people who do not like risk of any kind
- D 26. Diversification is good because:
- A. It focuses investments on a single stock to take advantage of growth potential
 - B. Mutual funds have higher fees than individual stocks
 - C. Interest rates rise and fall
 - D. It spreads the risk of investment
- B 27. True or False: If you buy enough different stocks, you can diversify out all risk in the stock market.
- A. True
 - B. False
- B 28. When paying bills online, a payee is:
- A. Someone who pays you
 - B. Someone you send a payment to
 - C. A middleman who relays a payment to another party
- B 29. An online account transfer is:
- A. An online bill payment
 - B. A transfer of money from one account to another conducted online
 - C. An automatic payment of a cell phone bill from a credit card
 - D. Moving from one MySpace page to another while online
- C 30. If you are a self-employed professional, which plan would work for you?
- A. Employer-sponsored 401(k)
 - B. Traditional pension plan
 - C. Keogh plan

- A 31. Why is it not a good idea to make early withdrawals from your 401(k)?
- A. You usually have to pay a strict penalty.
 - B. You cannot put the money back in once you take it out.
 - C. You will lose your tax-deferred status on the entire account.
- A 32. Contributions to which type of IRA are tax deductible?
- A. Traditional IRA
 - B. Roth IRA
- C 33. Which of the following is an example of a defined contribution plan?
- A. 401(k)
 - B. Keogh plan
 - C. Both a and b
- B 34. Social Security replaces about what percent of most people's pre-retirement income?
- A. 70%
 - B. 40%
 - C. 100%
- A 35. Which of the following is an example of a defined benefit plan?
- A. A pension
 - B. Roth IRA
 - C. 401(k)
- C 36. Which of the following is a benefit of an employer-sponsored plan?
- A. Contributions are not taxed.
 - B. Employers often match contributions.
 - C. All of the above.

- A 37. When should you begin saving for retirement?
- A. As soon as you enter the workforce
 - B. Before age 50 and not after
 - C. After age 50
- C 38. What is the official retirement age, according to the US government?
- A. 59
 - B. 70
 - C. 67
- B 39. 401K plans are so named because:
- A. You can only contribute up to \$401,000
 - B. Of the tax law that authorizes them
 - C. Over 400,000 people have taken advantage of them
- B 40. The W4 form:
- A. Lists the number of people who claim the worker as a dependent on their tax returns
 - B. Is filled out by each employee, stating the number of dependents to be claimed on his or her tax return
 - C. Is a report sent from the employer to both the IRS and the employee showing gross wages
 - D. Should be attached to the tax return with a staple when filing
- D 41. Bond funds:
- A. Will lose all value if a single bond defaults
 - B. Are investment bargains because their price is so low
 - C. Are riskier than owning individual corporate bonds
 - D. Spread the risk of individual bonds by collectively owning more and less-risky bonds, with higher and lower rates of return
- B 42. US savings bonds:
- A. Are purchased for face value and pay interest above that amount
 - B. Are worth face value at maturity
 - C. Are risky investments

- C 43. DRIP programs:
- A. Siphon money out of a savings account and can never be redeemed
 - B. All have exactly the same costs, fees, and expenses as a brokerage account
 - C. Are dividend reinvestment programs
 - D. Send the stockholder a check for each quarterly dividend
- A 44. If you have a long-time horizon for investing, you should:
- A. Lean toward high-risk investments with high-return potential
 - B. Keep at least 75% cash or money market funds for immediate availability
 - C. Own only one stock
 - D. Diversify into savings accounts and U.S. savings bonds
- D 45. Investing in a global stock fund is a good idea to:
- A. Focus all risk on the U.S. economy
 - B. Keep your portfolio dependent solely on the U.S. dollar
 - C. Diversify into municipal and corporate bonds
 - D. Diversify holdings to spread risk outside the U.S. economy
- C 46. Inflation is:
- A. Always exactly 5% per year
 - B. The reason most people get ahead by saving money in a mattress
 - C. The rise in the cost of purchasing everyday goods
 - D. The annual rate of return on a savings account
- A 47. The Dow Jones Industrial Average is a collection of:
- A. Thirty U.S. stocks
 - B. Thirty municipal bonds
 - C. Thirty globally diverse stocks
 - D. Thirty U.S. industries

- C 48. Someone who can tolerate a risky investment would:
- A. Wake up in the middle of the night worrying about the investment
 - B. Be very concerned that a downturn would wipe out the long-term gains
 - C. Understand that an investment that fell when the entire market fell was not necessarily a bad investment
 - D. Keep all money in a savings account at a bank for long-term growth
- B 49. In general, buying an individual stock from a mid-sized company is less risky than:
- A. Buying a U.S. savings bond
 - B. Buying a penny stock
 - C. Buying an S&P 500 mutual fund
 - D. Buying a bond mutual fund
- A 50. If you created a graph with investment risk on the x-axis and investment return on the y-axis and plotted points for two different investments, a line going through the points would probably be:
- A. Positively sloped
 - B. Negatively sloped
 - C. Have a slope of zero
- B 51. You can tell a scam or fraud because:
- A. It will have the word scam or fraud prominently featured in the letter or e-mail
 - B. It may tell you that you have won a lottery you never entered, or try to get you to tell your account and personal information
 - C. You will get a letter or announcement from your bank warning you about the fraud before it happens
- D 52. Front end loads:
- A. Are disguised as 12b-1 fees
 - B. Are paid to the mutual fund company after you have held the fund for a long time and you are ready to sell the fund to get your investment back
 - C. Can be compared between different mutual funds by adding the expense ratio and the 12b-1 fee that you find in the prospectus
 - D. Are paid to the mutual fund company when you first purchase the fund

C 53. A money market account:

- A. Pays a fixed rate of interest
- B. Never has a minimum deposit requirement
- C. Can have a minimum deposit requirement and variable interest, and generally pays a better interest rate than a savings account

 B 54. Inflation is:

- A. A number set by the government that causes prices to rise
- B. A number measured by the government that describes the changing prices of everyday goods.
- C. Automatically subtracted from interest rates quoted by banks for their savings accounts

 C 55. FDIC is:

- A. The real cause of the 1929 stock market crash
- B. A government program that funds all interest payments for savings accounts
- C. A government insurance program that will pay back account holders if the bank or lending institution fails
- D. A private corporation

 B 56. Financial goals help savings grow by:

- A. Determining how much the stock market will increase or decrease each year
- B. Helping investors concentrate on the goal, instead of immediately spending money
- C. Increasing the rate of return
- D. Keeping 12b-1 fees low

 B 57. True or False: Savings accounts generally offer a higher yield than money market accounts.

- A. True
- B. False

- A 58. Money market refers to:
- A. A collection of highly liquid short term investments
 - B. The market on which different currencies are bought and sold
 - C. The market the Federal Reserve uses to buy up old bills and coins
- C 59. An investment \$86 earned \$17 over a year, what was the rate of return?
- A. 17%
 - B. 18%
 - C. 20%
 - D. 22%
- A 60. Tax refunds:
- A. Come from extra money the federal government has left over at the end of the year, and are distributed around February 15
 - B. Come to taxpayers regardless of whether they file an income tax return or not
 - C. Include interest paid to the taxpayer by the federal government based on holding that money throughout the tax year
- B 61. The penalty for not paying taxes owed:
- A. Can't be calculated if you do not file taxes
 - B. Includes penalty fees and interest calculated starting April 15 of the year the taxes are owed
 - C. Can be determined by the Social Security Administration even if withholding is not taken from your paycheck
 - D. Will be \$600 plus interest starting April 15 if you do not file a tax return, regardless of the amount of your wages
- A 62. A program like Quicken or Money:
- A. Can help keep track of receipts over a year to make taxes easier to complete
 - B. Is required to complete taxes
 - C. Is necessary in order to get the refund owed to the taxpayer
 - D. Can only be used when filing electronically

B 63. The W2 form:

- A. Reports interest from your bank to the IRS
- B. Is provided to you by your employer, and it lists total income and all tax withheld amounts
- C. Is provided by the IRS, and lists your tax paid for the year
- D. Keeps track of charitable donations made by cash or check outside of work

 C 64. Taxes go to pay for:

- A. Social Security 10%, National Defense 10%, and Medicare 12%
- B. Social Security 50%, National Defense 50%, and Medicare 12%
- C. Social Security 21%, National Defense 21%, and net interest 9%
- D. Social Security 12%, National Defense 12%, and Medicare 12%

 A 65. The federal government:

- A. Is the national government of the U.S. that takes in taxes and funds such programs as maintaining Interstate highways and the military
- B. Does not supply Social Security cards
- C. Is not allowed to tax income

 A 66. A major payroll tax is called:

- A. FICA, for Federal Insurance Contributions Act
- B. SSN, for Social Security Number
- C. Capital gains tax
- D. Business tax

 C 67. To file your taxes, you need:

- A. Every pay stub from the entire year
- B. Every deposit slip from your savings account
- C. W2 and 1099INT reports, and charitable deduction receipts
- D. A computer

- B 68. A paycheck has withholding tax taken out:
- A. If a person earns more than \$600 a year
 - B. That is paid to state and federal taxing authorities
 - C. That is automatically refunded to workers even without filing a 1040EZ form
 - D. That is always equal to \$9.54
- D 69. Identity theft is important to be aware of because:
- A. Once your identity is stolen, it can't be used again by another thief
 - B. Once your identity is stolen, it is impossible to ever have good credit again
 - C. Once your identity is stolen, it will not affect your life once you are on your own
 - D. Once your identity is stolen, it can be fraudulently sold, and others can continue to use your good credit to obtain credit cards and loans
- B 70. Phishing is:
- A. Using the telephone to intimidate bank customers
 - B. Using a fake Web site or e-mail to intimidate someone into giving away personal information such as user names, passwords, or Social Security numbers
 - C. An automatic transfer of money from one account to another
 - D. What happens when your bank branch calls you to verify unusual purchases
- A 71. The most secure Internet access is available through:
- A. Cable modem, DSL, or dial-up Internet
 - B. Wi-Fi at a coffee house
 - C. Wi-Fi at a public library
- A 72. Online banking is probably not necessary if:
- A. You only have two checks per month and no automatic deposits
 - B. You need to download your bank transactions into Quicken to help you keep track of your business expenses
 - C. You have five automatic payments per month and your paycheck is automatically deposited
 - D. You have a history of overdraft charges due to not knowing your balance

C 73. A good password:

- A. Is an easily remembered number such as your phone number or Social Security number
- B. Should be used for all your online accounts, including ones you share with friends
- C. Includes a combination of letters and numbers that are memorable and meaningful to you
- D. Should be written down in your wallet so you will have it wherever you go

 A 74. Online bill payment:

- A. Can happen automatically every month, even if you set it up just once
- B. Will definitely cause an overdraft charge
- C. Can only be set up by making an appointment with a bank branch manager
- D. Cannot be set up online

 C 75. With online banking, you can:

- A. Access accounts that are not your own and transfer money to your own account
- B. Use a telephone to talk to a bank teller
- C. Pay bills, check your balance, and see if checks have cleared at your bank's online Web site
- D. Put a check through a scanner to pay bills automatically

 B 76. When is a contract made between a buyer and a seller?

- A. Only when the purchase is more than \$500
- B. Every time you make a purchase
- C. When you buy something with a credit card
- D. When you buy something online

 A 77. Improving your credit score will let you get:

- A. Lower interest rates on loans
- B. Higher interest rates on savings accounts
- C. Neither of the above
- D. Both of the Above

- A 78. You can order a copy of your credit report:
- A. Free online from www.annualcreditreport.com once a year from each of the credit reporting companies
 - B. Free online from the Fair Isaac Corporation
 - C. Only if you have good credit because this service is not available if you are a poor risk
 - D. Only if you are applying for a credit card
- C 79. A document showing that you have completed a course of study is called a:
- A. Resume
 - B. Cover Letter
 - C. Diploma
 - D. Affidavit
- A 80. True or False: A job may require a specific training course to be completed.
- A. True
 - B. False
- A 81. True or False: The federal government offers tax breaks for people saving for education.
- A. True
 - B. False
- B 82. What is the name of the leading provider of student loans, an organization founded in 1972 as a government sponsored agency, and now a publicly traded company?
- A. Freddie Mac
 - B. Sallie Mae
 - C. Ginnie Mae
 - D. FICA
- A 83. True or False: Student loans often don't require you to start paying them back until after you've completed the course(s).
- A. True
 - B. False

B 84. Scholarships:

- A. Are only available once a student is enrolled
- B. Are available for residents of every state, all religious affiliations, and academic interest
- C. Are always applied for by the student alone without any help from the college or training program
- D. Are never as good a deal as loans from the student's bank

 B 85. Internships:

- A. Are always paid
- B. Can be paid or unpaid
- C. Can never turn into a paid position
- D. Always last for one year

 D 86. No one should choose a goal based on:

- A. Interests, likes, and dislikes
- B. The type of work that appeals to that person
- C. A hobby that person puts free time into that could become a career
- D. What other people think of the goal, who do not know the person very well

 A 87. It is important for goals to have accomplishment dates because:

- A. It is easy to put off long term goals and a deadline keeps you focused
- B. You will want to compare your success to other people's
- C. Bonus money always comes with meeting personal goals
- D. Career goals are based on interests and aptitudes

 C 88. Your FICO score:

- A. Does not depend on your payment history
- B. Is better if you have not held credit accounts for very long
- C. Depends most on the amounts you owe and your payment history
- D. Depends most on new account information

- B 89. An installment loan is:
- A. A credit card paid off right away
 - B. A loan paid off in a certain amount of time, in installments, or equal payments
 - C. When an item is paid for before it is picked up
 - D. Always a positive item on a credit report, even if it was not paid off
- A 90. Your credit history tells:
- A. The history of your saving, borrowing, and repayment performance
 - B. The history of your grade report cards
 - C. The history of the formation of the Experian and Equifax companies
 - D. The history of your parents' saving, borrowing, and repayment performance
- D 91. Negative items on a credit report that are not correct:
- A. Can never be removed
 - B. Don't affect your credit rating
 - C. Are best ignored
 - D. Should be removed once the mistake is shown to the credit reporting company
- D 92. A regular paycheck helps your credit score because:
- A. It can be cashed and spent quickly
 - B. It has taxes pulled out
 - C. It shows you will not pay your bills on time
 - D. It indicates you are likely a good credit risk
- B 93. A savings account:
- A. Is no use in developing a credit history
 - B. Should have your correct Social Security Number attached so that it helps your credit history
 - C. Can be used to write checks and is a credit account
 - D. Can only be opened once you are 18 years old

- A 94. To build up a good credit history, you should:
- A. Get a Social Security Number if you do not already have one
 - B. Get as many credit cards as you can
 - C. Always pay at least the minimum amount due on your credit card
 - D. A and C
- C 95. Payday loans:
- A. Are a cheap way to borrow money, since it is for such a short term
 - B. Are available from your local bank branch
 - C. Charge far more in interest than a typical credit card interest charge
 - D. Are the best way for young students to build up a good credit rating
- A 96. Cleared checks:
- A. Are available as online images for you to refer to, or as reduced images sent with each monthly statement
 - B. Are always sent to the account holder with each monthly statement
 - C. Should be used to notify the people you wrote the check to, since they haven't cashed the checks yet
 - D. Are automatically redeposited if the check image is lost
- A 97. An ATM check card:
- A. Is exactly the same as an ATM debit card
 - B. Can only be used to withdraw money that is in your account, not to overdraw your account
 - C. Can overdraw your account if you make a store purchase beyond your current account balance
 - D. Can be used at an ATM or at a store to make purchases
- A 98. It is important to balance your checkbook every month because:
- A. Even automatic check readers can misread an amount you wrote on your check
 - B. Banks calculate interest by hand, and sometimes they forget to do this step
 - C. Otherwise you are likely to spend more money than you earn

B 99. Overdraft protection:

- A. Is always a free service provided by banks
- B. Is like a credit card you don't use until your checking account gets below a zero balance
- C. Is always a waste of money because people don't bounce checks any more
- D. Should be bought by everyone, even if they always keep a significant amount of money in their account

 C 100. Banks offer points or rewards because:

- A. They believe you will get hooked on the thrill of buying new stuff, and this will make you more likely to pay interest on credit cards month after month, instead of only buying what you can afford
- B. They like to make your life more fun
- C. You will be more likely to switch to another bank if you feel you are getting something for nothing
- D. They want you to practice good saving habits

 C 101. When writing a check:

- A. Always print your signature
- B. Sign on the line that says Pay to the order of
- C. Spell out the dollars and cents on the long line that ends in Dollars
- D. Spell out the dollars and cents in the short box next to the \$ symbol

 A 102. A credit union:

- A. Requires membership, but in other respects is like a bank
- B. Can't keep savings accounts
- C. Never has interest rates as good as a bank
- D. Is only open to college students

 D 103. An overdraft fee:

- A. Is a fee charged by a business when a check you write to them bounces
- B. Is the minimum balance required to be held in a bank account
- C. Is a fee paid to a payday loan company
- D. Is the fee charged by a bank when your checking account balance goes below zero

- D 104.The Better Business Bureau is:
- A. A government agency in charge of recalls
 - B. A place to report fraud or identity theft
 - C. A company that develops rules to protect consumers
 - D. A nonprofit consumer organization
- D 105.How can you make the most of a tight budget?
- A. Making a list before shopping
 - B. Buying on sale
 - C. Setting good priorities
 - D. All of these
- C 106.How can you tell the value of a purchase?
- A. Looking at the price tag
 - B. Asking a friend
 - C. Thinking of how it will affect your life
 - D. Figuring out how much it cost to manufacture
- B 107.Which is NOT a step in researching your purchase?
- A. Comparing prices
 - B. Getting your friends' approval
 - C. Looking at customer reviews
 - D. Trying on apparel
- A 108.A car and a computer are examples of what?
- A. Secondary needs
 - B. Excess
 - C. Primary needs
 - D. None of these
- B 109.What is the main reason people shop?
- A. To have fun with friends
 - B. To provide for primary needs
 - C. To look stylish
 - D. To express personality

- C 110. Overdraft fees can be avoided by:
- A. Trying to keep a minimum balance of \$10 in your account
 - B. Going to the bank branch after being charged the fee and explaining that you meant to have more money in the account but forgot
 - C. Knowing your account balance and what upcoming bills will be paid
 - D. Having a cell phone bill that automatically re-ups your minutes without you being aware of how much money that will cost
- A 111. Savings accounts at banks are protected by:
- A. FDIC insurance
 - B. Risk and return curves
 - C. An annual percentage rate
 - D. Mutual fund returns
- C 112. Which method of commuting is mostly likely to reduce your need to go to the gym or get a treadmill?
- A. Car
 - B. Bus
 - C. Walking
 - D. None of the above
- B 113. True or False: It is generally better to concentrate your exercise time on the weekends only for maximum aerobic benefit.
- A. True
 - B. False
- A 114. If owning a car costs you \$350 per month but allows you to work a second job that provides take-home pay of \$125 per week, is it worth it financially to have the car?
- A. Yes
 - B. No
- B 115. True or False: When starting out a career, you should always work at least two jobs so that you can accumulate money for investing and long-term growth.
- A. True
 - B. False

- C 116. Which of the following is a true statement?
- A. Short-term goals are more important than long-term goals
 - B. You should eat more of the foods at the top of the food pyramid
 - C. Lack of sleep can weaken your immune system
 - D. Pasta and chicken are in the same food group because they both contain protein
- B 117. In the computer lesson, which of these is not one of your goals?
- A. Remain healthy so you don't lose your job
 - B. Find a cheaper apartment to rent
 - C. Enroll in night school and work toward your associate's degree
 - D. Purchase a treadmill to begin exercising at home
- C 118. On average, the ideal amount of sleep for most adults is:
- A. 5-6 hours
 - B. 6-7 hours
 - C. 7-8 hours
 - D. 8-9 hours
- D 119. Time management can help you:
- A. Reach your long-term and short-term goals
 - B. Minimize stress from feeling too busy
 - C. Balance work, rest, and recreational activities
 - D. All of the above
- B 120. Which of these is not a result of regular exercise?
- A. Preventing weight gain
 - B. Causing your heart to wear out faster
 - C. Helping reduce your stress levels
 - D. Helping you to stay mentally alert
- B 121. True or False: In the computer lesson, eating one meal per day was enough to maintain your health.
- A. True
 - B. False

C 122. Money in your emergency fund could be wisely used:

- A. To buy a new pair of shoes that went on sale
- B. To put money down on a new car
- C. To pay for an unforeseen health expense
- D. To lend money to a friend to pay off credit card debt

A 123. When estimating income, it is better to be:

- A. A little low
- B. A little high
- C. Either, it doesn't matter

B 124. Which is NOT something you should look for in a savings account?

- A. Low (or no) monthly fee
- B. Rewards for using your debit card
- C. Free online banking
- D. Competitive interest rate

B 125. How much money should you save each month?

- A. Always save 10% of your income
- B. You must decide what you can afford
- C. Save \$50 from every paycheck
- D. Only save your spare change

A 126. Preparing a budget is:

- A. An ongoing process
- B. Something you only have to do once in your lifetime
- C. Not an effective way to save money
- D. A method for calculating take-home pay

B 127. A budget can help you reach a financial goal by:

- A. Showing you how you can earn more income
- B. Allowing you to see where you can cut back on spending
- C. Giving you the tools to change more fixed expenses to flexible expenses
- D. All of these

- A 128. Why is it harder to estimate expenses than to estimate income?
- A. Expenses often change more from month to month
 - B. You can never truly know how much you spend
 - C. Your income will never change
 - D. None of these
- C 129. Which of the following is an example of irregular income?
- A. A full-time job
 - B. A part-time job
 - C. A graduation gift
 - D. Both b and c
- C 130. In the computer exercise, what were some of your expenses?
- A. Interest income, car insurance, tax refunds
 - B. Take-home pay, rent, electricity
 - C. Rent, renters insurance, bus tokens
 - D. All of these
- B 131. Which is NOT a money management skill discussed in the lesson?
- A. Estimating expenses
 - B. Calculating the correct income tax rate
 - C. Formulating a budget
 - D. Saving for emergencies
- D 132. Which of the following utilities may be billed separately from your rent?
- A. Water
 - B. Electricity
 - C. Phone service
 - D. All of the above
- D 133. Which of the following are considerations in choosing an apartment:
- A. Cost
 - B. Proximity to work
 - C. Availability of mass transit
 - D. All of the above

- C 134.A landlord can refuse to rent you an apartment if which of the following is true?
- A. You are married
 - B. You are of Irish descent
 - C. You own a cat and a dog
 - D. You are a Buddhist
- B 135.Which of the following information would not be found in a typical lease?
- A. The amount of the monthly rent payment and the day of the month it is due
 - B. The name of the previous tenant
 - C. The address of the unit being rented
 - D. The beginning and ending dates of the rental agreement
- D 136.The most important thing to consider when choosing an apartment is:
- A. Whether or not pets are allowed
 - B. How many bedrooms there are
 - C. Whether or not the apartment is located on a bus line
 - D. If you can afford to pay your rent and other costs on an ongoing basis
- A 137.Your landlord has the right to:
- A. Charge you the late fee stated in your lease if your rent payment is late
 - B. Enter your apartment without your permission to repair a leaky valve in your faucet
 - C. Terminate the rental agreement within 30 days if she finds a better tenant
 - D. Terminate your lease if she discovers you have lost your job
- C 138.Most landlords require the renter to pay a security deposit at the beginning of the rental agreement. Which of the following is true about the security deposit?
- A. The deposit is kept by the landlord to cover his management costs
 - B. The deposit can never be greater than \$100
 - C. The deposit can be used to repair damage caused by the tenant during the term of the lease
 - D. None of these

- B 139. How much of your take-home paycheck should be budgeted for base rent?
- A. 20%
 - B. 30%
 - C. 40%
 - D. 50%
- A 140. Which of the following best describes a lease?
- A. A legal document that contains all the details of the agreement between the landlord and renter which is signed by both parties
 - B. An informal agreement between the renter and the landlord in which the renter signs it when he or she is thinking about renting an apartment
 - C. A document that describes in detail the apartment for rent
 - D. An agreement between someone searching for an apartment to rent and his or her real estate agent
- D 141. In which of the following locations could you find an ad for an apartment?
- A. In the local newspaper
 - B. On the Internet
 - C. In the phone book
 - D. All of these
- A 142. Purchasing rather than leasing will generally cause your initial monthly payments to be:
- A. Higher
 - B. Lower
 - C. The same
- C 143. A substantial one of these will keep you from going upside down on your loan, that is, owing more on your car than it is worth:
- A. Finance Charges
 - B. Insurance
 - C. Down Payment
 - D. Interest

- B 144. Which one of the following is not part of your automobile operating costs?
- A. Insurance
 - B. Transaction fees
 - C. Parking
 - D. Gas
- C 145. This type of insurance pays to fix damages that you cause, but does not cover your own car:
- A. No-fault
 - B. Collision
 - C. Liability
 - D. None of the above
- A 146. This number helps you compare loans:
- A. APR
 - B. Credit score
 - C. GPA
 - D. Principal
- B 147. With this type of insurance, if you are involved in an accident both parties will be covered by their own insurance policies:
- A. Collision
 - B. No-fault
 - C. Comprehensive
 - D. Liability
- C 148. This allows you to use a car for a specified period of time for a specified monthly payment:
- A. Loan
 - B. Contract
 - C. Lease
 - D. Gift

- C 149. This includes all the money you will have to pay to a lender beyond the amount you need to purchase the car:
- A. Lease
 - B. Transaction Fees
 - C. Finance Charges
 - D. Down Payment
- D 150. This will allow you to borrow money to buy a car, but you will have to pay it back with interest over time:
- A. Gift
 - B. Lease
 - C. Lend-lease
 - D. Loan

Class: _____ Date: _____

- _____ 1. When you are looking for a used car, this resource will help you best determine the value of a particular make and model:
- A. Road and Track
 - B. Car and Driver
 - C. Consumer Reports
 - D. Kelley Blue Book
- _____ 2. As a part of the Bureau of Consumer Protection, this agency educates consumers and businesses about their rights and responsibilities:
- A. Federal Trade Commission
 - B. Consumer Product Safety Commission
 - C. Food and Drug Administration
 - D. Federal Consumer Information Center
- _____ 3. To balance your checkbook:
- A. Subtract any checks in your check register that are not marked as cleared
 - B. Subtract any deposits in your check register that have not been marked as cleared
 - C. Add the interest paid and bank charges to the register balance
 - D. Add any checks in your check register that are not marked as cleared
- _____ 4. Which of the following is the best definition of a minimum payment on a credit card?
- A. A fee that must be paid whether the card is used or not
 - B. The smallest payment that will keep a credit card holder in good standing with the lender
 - C. The interest on the purchases that were made on the credit card
 - D. A low introductory payment offered by the lender for a few months until the card holder has established good credit

- _____ 5. Credit history includes:
- A. Library fines
 - B. Savings and credit card accounts
 - C. Being a good friend
 - D. Only positive items, regardless of your borrowing past
- _____ 6. A plan for a career starting in two years:
- A. Will give you less opportunities than a career starting right away
 - B. Means that no plans or training are necessary, since the goal is two years away
 - C. Cannot benefit from talking to a counselor or consulting a book
 - D. Will give you more opportunities than a career starting right away
- _____ 7. A store is offering 15% off an item that was priced at \$99. What is the new price of the item?
- A. \$85.15
 - B. \$14.85
 - C. \$84.15
 - D. \$99.15
- _____ 8. A warranty from the manufacturer covers:
- A. Everything that goes wrong for a year
 - B. All moving parts
 - C. Nothing after sixty days
 - D. Only what is included in the statement
- _____ 9. Oh no! Someone stole your credit card and charged \$2,500 worth of purchases before you even knew the card was missing. How much of the unauthorized charges can you be required to pay?
- A. zero
 - B. \$50
 - C. \$250
 - D. \$2,500

- _____ 10. You can best compare credit card offers by looking at these two features:
- A. APR and fees
 - B. Minimum payment
 - C. Principal and interest
 - D. Introductory rate and credit limit
- _____ 11. You forgot to pay last month's credit card bill. Your creditor will probably:
- A. Cancel your account
 - B. Send you a reminder to pay the bill
 - C. Add finance charges and late fees to your bill
 - D. Reduce your minimum payment
- _____ 12. Chandra likes her new credit card. She uses it whenever she can, but she's careful to stay below her credit limit. After two months she notices her credit card bill includes huge finance charges. She chose her card because it featured 0% APR, so she doesn't think she should have any finance charges at all. What is the most likely explanation for the finance charges on Chandra's bill?
- A. The credit card company made a billing error
 - B. This is a case of credit card fraud
 - C. The introductory rate on the card is no longer in effect
 - D. The APR does not apply because she is under the credit limit
- _____ 13. If you get your first credit card while you're a full-time student, what can you expect about the card's APR on outstanding balances?
- A. It will probably be about the same as the APR on your parents' card
 - B. It will probably be low
 - C. It will probably be low until you graduate, and then it will rise
 - D. It will probably be high

- _____ 14. Matt has \$471.60 in his checking account and feels he's doing pretty well financially. Then his car stops running. His mechanic is able to fix it in a day, but with the towing charges, parts, and mechanic's labor, he now needs to pay the service center \$624.11 so he can drive his car to work. Of the following choices, which is the best course of action for Matt?
- A. Pay the service center with his Visa credit card
 - B. Pay the service center with his MasterCard debit card
 - C. Write a check for \$624.11 and hope the service center doesn't take it to the bank before next payday
 - D. Call his employer to say he won't be able to come to work
- _____ 15. When you borrowed \$50 from your rich cousin, and then had to pay her back \$60, what is the original \$50 called?
- A. Bribery
 - B. Interest
 - C. Principal
 - D. Credit
- _____ 16. You ran short of cash and borrowed \$50 from your rich cousin. When you paid her back, she insisted that you owed \$60. What is the extra \$10 called?
- A. Bribery
 - B. Interest
 - C. Principal
 - D. Credit
- _____ 17. A business that gives you a loan is:
- A. A credit bureau
 - B. A debt collection agency
 - C. A credit counseling agency
 - D. A creditor

- _____ 18. Your return with a diversified portfolio will:
- A. Be exactly 11.3% every year
 - B. Rise and fall, but have less risk than a smaller number of stocks and a smaller number of sectors and asset classes
 - C. Fall if a single company in your portfolio goes out of business
 - D. Beat absolutely every other investor
- _____ 19. Over about 40 years, your portfolio should probably:
- A. Change from higher-risk to lower-risk investments
 - B. Sell every holding each year to figure out how well you are doing
 - C. Grow equally well in all sectors, or it is a bad financial plan
 - D. Become less and less conservative, increasing in risk from year to year
- _____ 20. A defensive stock:
- A. Is part of the manufacturing sector that sells to the Department of Defense
 - B. Is owned by a company that is currently having a strong downturn
 - C. Is the type of stock that holds a steady value, such as an insurance company
 - D. Has a small market capitalization
- _____ 21. Market capitalization:
- A. Is the difference between the 10-year high and 10-year low of a stock
 - B. Is the total number of outstanding shares of a company's stock multiplied by the stock price
 - C. Does not change once you buy a stock
 - D. Is \$2 billion to \$200 billion
- _____ 22. Growth stocks:
- A. Are mainly good investments for those who need income from dividends
 - B. Are those with a market capitalization of between \$2 billion and \$200 billion
 - C. Are easily identified because they are everyday household names
 - D. Require research from an investor, pour most of their income back into growing the business, and have the potential to do very well as part of a portfolio

- _____ 23. A bear market:
- A. Is when people rush to buy stocks, sending prices surging upward
 - B. Is when bond prices and interest rates are not as attractive as the growth in the stock market
 - C. Can be an opportunity for long term investors to buy stocks of well run companies at lower prices
 - D. Happens every year at about the same time, and can be avoided with proper attention to the calendar
- _____ 24. Long term investors:
- A. Sit tight through bull markets and bear markets
 - B. Buy and sell on a daily basis
 - C. May adjust their holdings to sell when others are selling and markets are falling
 - D. Always lose money in the long run
- _____ 25. A personal investing plan:
- A. Should be prepared every six months by a different financial advisor
 - B. Is a good way to build toward a financial goal
 - C. Will always have funds from a single mutual fund company
 - D. Will focus on small-cap stocks for those people who do not like risk of any kind
- _____ 26. Diversification is good because:
- A. It focuses investments on a single stock to take advantage of growth potential
 - B. Mutual funds have higher fees than individual stocks
 - C. Interest rates rise and fall
 - D. It spreads the risk of investment
- _____ 27. True or False: If you buy enough different stocks, you can diversify out all risk in the stock market.
- A. True
 - B. False

- _____ 28. When paying bills online, a payee is:
- A. Someone who pays you
 - B. Someone you send a payment to
 - C. A middleman who relays a payment to another party
- _____ 29. An online account transfer is:
- A. An online bill payment
 - B. A transfer of money from one account to another conducted online
 - C. An automatic payment of a cell phone bill from a credit card
 - D. Moving from one MySpace page to another while online
- _____ 30. If you are a self-employed professional, which plan would work for you?
- A. Employer-sponsored 401(k)
 - B. Traditional pension plan
 - C. Keogh plan
- _____ 31. Why is it not a good idea to make early withdrawals from your 401(k)?
- A. You usually have to pay a strict penalty.
 - B. You cannot put the money back in once you take it out.
 - C. You will lose your tax-deferred status on the entire account.
- _____ 32. Contributions to which type of IRA are tax deductible?
- A. Traditional IRA
 - B. Roth IRA
- _____ 33. Which of the following is an example of a defined contribution plan?
- A. 401(k)
 - B. Keogh plan
 - C. Both a and b

- _____ 34. Social Security replaces about what percent of most people's pre-retirement income?
- A. 70%
 - B. 40%
 - C. 100%
- _____ 35. Which of the following is an example of a defined benefit plan?
- A. A pension
 - B. Roth IRA
 - C. 401(k)
- _____ 36. Which of the following is a benefit of an employer-sponsored plan?
- A. Contributions are not taxed.
 - B. Employers often match contributions.
 - C. All of the above.
- _____ 37. When should you begin saving for retirement?
- A. As soon as you enter the workforce
 - B. Before age 50 and not after
 - C. After age 50
- _____ 38. What is the official retirement age, according to the US government?
- A. 59
 - B. 70
 - C. 67
- _____ 39. 401K plans are so named because:
- A. You can only contribute up to \$401,000
 - B. Of the tax law that authorizes them
 - C. Over 400,000 people have taken advantage of them

- _____ 40. The W4 form:
- A. Lists the number of people who claim the worker as a dependent on their tax returns
 - B. Is filled out by each employee, stating the number of dependents to be claimed on his or her tax return
 - C. Is a report sent from the employer to both the IRS and the employee showing gross wages
 - D. Should be attached to the tax return with a staple when filing
- _____ 41. Bond funds:
- A. Will lose all value if a single bond defaults
 - B. Are investment bargains because their price is so low
 - C. Are riskier than owning individual corporate bonds
 - D. Spread the risk of individual bonds by collectively owning more and less-risky bonds, with higher and lower rates of return
- _____ 42. US savings bonds:
- A. Are purchased for face value and pay interest above that amount
 - B. Are worth face value at maturity
 - C. Are risky investments
- _____ 43. DRIP programs:
- A. Siphon money out of a savings account and can never be redeemed
 - B. All have exactly the same costs, fees, and expenses as a brokerage account
 - C. Are dividend reinvestment programs
 - D. Send the stockholder a check for each quarterly dividend
- _____ 44. If you have a long-time horizon for investing, you should:
- A. Lean toward high-risk investments with high-return potential
 - B. Keep at least 75% cash or money market funds for immediate availability
 - C. Own only one stock
 - D. Diversify into savings accounts and U.S. savings bonds

- _____ 45. Investing in a global stock fund is a good idea to:
- A. Focus all risk on the U.S. economy
 - B. Keep your portfolio dependent solely on the U.S. dollar
 - C. Diversify into municipal and corporate bonds
 - D. Diversify holdings to spread risk outside the U.S. economy
- _____ 46. Inflation is:
- A. Always exactly 5% per year
 - B. The reason most people get ahead by saving money in a mattress
 - C. The rise in the cost of purchasing everyday goods
 - D. The annual rate of return on a savings account
- _____ 47. The Dow Jones Industrial Average is a collection of:
- A. Thirty U.S. stocks
 - B. Thirty municipal bonds
 - C. Thirty globally diverse stocks
 - D. Thirty U.S. industries
- _____ 48. Someone who can tolerate a risky investment would:
- A. Wake up in the middle of the night worrying about the investment
 - B. Be very concerned that a downturn would wipe out the long-term gains
 - C. Understand that an investment that fell when the entire market fell was not necessarily a bad investment
 - D. Keep all money in a savings account at a bank for long-term growth
- _____ 49. In general, buying an individual stock from a mid-sized company is less risky than:
- A. Buying a U.S. savings bond
 - B. Buying a penny stock
 - C. Buying an S&P 500 mutual fund
 - D. Buying a bond mutual fund

- ____ 50. If you created a graph with investment risk on the x-axis and investment return on the y-axis and plotted points for two different investments, a line going through the points would probably be:
- A. Positively sloped
 - B. Negatively sloped
 - C. Have a slope of zero
- ____ 51. You can tell a scam or fraud because:
- A. It will have the word scam or fraud prominently featured in the letter or e-mail
 - B. It may tell you that you have won a lottery you never entered, or try to get you to tell your account and personal information
 - C. You will get a letter or announcement from your bank warning you about the fraud before it happens
- ____ 52. Front end loads:
- A. Are disguised as 12b-1 fees
 - B. Are paid to the mutual fund company after you have held the fund for a long time and you are ready to sell the fund to get your investment back
 - C. Can be compared between different mutual funds by adding the expense ratio and the 12b-1 fee that you find in the prospectus
 - D. Are paid to the mutual fund company when you first purchase the fund
- ____ 53. A money market account:
- A. Pays a fixed rate of interest
 - B. Never has a minimum deposit requirement
 - C. Can have a minimum deposit requirement and variable interest, and generally pays a better interest rate than a savings account
- ____ 54. Inflation is:
- A. A number set by the government that causes prices to rise
 - B. A number measured by the government that describes the changing prices of everyday goods.
 - C. Automatically subtracted from interest rates quoted by banks for their savings accounts

- _____ 55. FDIC is:
- A. The real cause of the 1929 stock market crash
 - B. A government program that funds all interest payments for savings accounts
 - C. A government insurance program that will pay back account holders if the bank or lending institution fails
 - D. A private corporation
- _____ 56. Financial goals help savings grow by:
- A. Determining how much the stock market will increase or decrease each year
 - B. Helping investors concentrate on the goal, instead of immediately spending money
 - C. Increasing the rate of return
 - D. Keeping 12b-1 fees low
- _____ 57. True or False: Savings accounts generally offer a higher yield than money market accounts.
- A. True
 - B. False
- _____ 58. Money market refers to:
- A. A collection of highly liquid short term investments
 - B. The market on which different currencies are bought and sold
 - C. The market the Federal Reserve uses to buy up old bills and coins
- _____ 59. An investment \$86 earned \$17 over a year, what was the rate of return?
- A. 17%
 - B. 18%
 - C. 20%
 - D. 22%

- ____ 60. Tax refunds:
- A. Come from extra money the federal government has left over at the end of the year, and are distributed around February 15
 - B. Come to taxpayers regardless of whether they file an income tax return or not
 - C. Include interest paid to the taxpayer by the federal government based on holding that money throughout the tax year
- ____ 61. The penalty for not paying taxes owed:
- A. Can't be calculated if you do not file taxes
 - B. Includes penalty fees and interest calculated starting April 15 of the year the taxes are owed
 - C. Can be determined by the Social Security Administration even if withholding is not taken from your paycheck
 - D. Will be \$600 plus interest starting April 15 if you do not file a tax return, regardless of the amount of your wages
- ____ 62. A program like Quicken or Money:
- A. Can help keep track of receipts over a year to make taxes easier to complete
 - B. Is required to complete taxes
 - C. Is necessary in order to get the refund owed to the taxpayer
 - D. Can only be used when filing electronically
- ____ 63. The W2 form:
- A. Reports interest from your bank to the IRS
 - B. Is provided to you by your employer, and it lists total income and all tax withheld amounts
 - C. Is provided by the IRS, and lists your tax paid for the year
 - D. Keeps track of charitable donations made by cash or check outside of work
- ____ 64. Taxes go to pay for:
- A. Social Security 10%, National Defense 10%, and Medicare 12%
 - B. Social Security 50%, National Defense 50%, and Medicare 12%
 - C. Social Security 21%, National Defense 21%, and net interest 9%
 - D. Social Security 12%, National Defense 12%, and Medicare 12%

- _____ 65. The federal government:
- A. Is the national government of the U.S. that takes in taxes and funds such programs as maintaining Interstate highways and the military
 - B. Does not supply Social Security cards
 - C. Is not allowed to tax income
- _____ 66. A major payroll tax is called:
- A. FICA, for Federal Insurance Contributions Act
 - B. SSN, for Social Security Number
 - C. Capital gains tax
 - D. Business tax
- _____ 67. To file your taxes, you need:
- A. Every pay stub from the entire year
 - B. Every deposit slip from your savings account
 - C. W2 and 1099INT reports, and charitable deduction receipts
 - D. A computer
- _____ 68. A paycheck has withholding tax taken out:
- A. If a person earns more than \$600 a year
 - B. That is paid to state and federal taxing authorities
 - C. That is automatically refunded to workers even without filing a 1040EZ form
 - D. That is always equal to \$9.54
- _____ 69. Identity theft is important to be aware of because:
- A. Once your identity is stolen, it can't be used again by another thief
 - B. Once your identity is stolen, it is impossible to ever have good credit again
 - C. Once your identity is stolen, it will not affect your life once you are on your own
 - D. Once your identity is stolen, it can be fraudulently sold, and others can continue to use your good credit to obtain credit cards and loans

- _____ 70. Phishing is:
- A. Using the telephone to intimidate bank customers
 - B. Using a fake Web site or e-mail to intimidate someone into giving away personal information such as user names, passwords, or Social Security numbers
 - C. An automatic transfer of money from one account to another
 - D. What happens when your bank branch calls you to verify unusual purchases
- _____ 71. The most secure Internet access is available through:
- A. Cable modem, DSL, or dial-up Internet
 - B. Wi-Fi at a coffee house
 - C. Wi-Fi at a public library
- _____ 72. Online banking is probably not necessary if:
- A. You only have two checks per month and no automatic deposits
 - B. You need to download your bank transactions into Quicken to help you keep track of your business expenses
 - C. You have five automatic payments per month and your paycheck is automatically deposited
 - D. You have a history of overdraft charges due to not knowing your balance
- _____ 73. A good password:
- A. Is an easily remembered number such as your phone number or Social Security number
 - B. Should be used for all your online accounts, including ones you share with friends
 - C. Includes a combination of letters and numbers that are memorable and meaningful to you
 - D. Should be written down in your wallet so you will have it wherever you go
- _____ 74. Online bill payment:
- A. Can happen automatically every month, even if you set it up just once
 - B. Will definitely cause an overdraft charge
 - C. Can only be set up by making an appointment with a bank branch manager
 - D. Cannot be set up online

- _____ 75. With online banking, you can:
- A. Access accounts that are not your own and transfer money to your own account
 - B. Use a telephone to talk to a bank teller
 - C. Pay bills, check your balance, and see if checks have cleared at your bank's online Web site
 - D. Put a check through a scanner to pay bills automatically
- _____ 76. When is a contract made between a buyer and a seller?
- A. Only when the purchase is more than \$500
 - B. Every time you make a purchase
 - C. When you buy something with a credit card
 - D. When you buy something online
- _____ 77. Improving your credit score will let you get:
- A. Lower interest rates on loans
 - B. Higher interest rates on savings accounts
 - C. Neither of the above
 - D. Both of the Above
- _____ 78. You can order a copy of your credit report:
- A. Free online from www.annualcreditreport.com once a year from each of the credit reporting companies
 - B. Free online from the Fair Isaac Corporation
 - C. Only if you have good credit because this service is not available if you are a poor risk
 - D. Only if you are applying for a credit card
- _____ 79. A document showing that you have completed a course of study is called a:
- A. Resume
 - B. Cover Letter
 - C. Diploma
 - D. Affidavit

- _____ 80. True or False: A job may require a specific training course to be completed.
- A. True
 - B. False
- _____ 81. True or False: The federal government offers tax breaks for people saving for education.
- A. True
 - B. False
- _____ 82. What is the name of the leading provider of student loans, an organization founded in 1972 as a government sponsored agency, and now a publicly traded company?
- A. Freddie Mac
 - B. Sallie Mae
 - C. Ginnie Mae
 - D. FICA
- _____ 83. True or False: Student loans often don't require you to start paying them back until after you've completed the course(s).
- A. True
 - B. False
- _____ 84. Scholarships:
- A. Are only available once a student is enrolled
 - B. Are available for residents of every state, all religious affiliations, and academic interest
 - C. Are always applied for by the student alone without any help from the college or training program
 - D. Are never as good a deal as loans from the student's bank
- _____ 85. Internships:
- A. Are always paid
 - B. Can be paid or unpaid
 - C. Can never turn into a paid position
 - D. Always last for one year

- _____ 86. No one should choose a goal based on:
- A. Interests, likes, and dislikes
 - B. The type of work that appeals to that person
 - C. A hobby that person puts free time into that could become a career
 - D. What other people think of the goal, who do not know the person very well
- _____ 87. It is important for goals to have accomplishment dates because:
- A. It is easy to put off long term goals and a deadline keeps you focused
 - B. You will want to compare your success to other people's
 - C. Bonus money always comes with meeting personal goals
 - D. Career goals are based on interests and aptitudes
- _____ 88. Your FICO score:
- A. Does not depend on your payment history
 - B. Is better if you have not held credit accounts for very long
 - C. Depends most on the amounts you owe and your payment history
 - D. Depends most on new account information
- _____ 89. An installment loan is:
- A. A credit card paid off right away
 - B. A loan paid off in a certain amount of time, in installments, or equal payments
 - C. When an item is paid for before it is picked up
 - D. Always a positive item on a credit report, even if it was not paid off
- _____ 90. Your credit history tells:
- A. The history of your saving, borrowing, and repayment performance
 - B. The history of your grade report cards
 - C. The history of the formation of the Experian and Equifax companies
 - D. The history of your parents' saving, borrowing, and repayment performance

- _____ 91. Negative items on a credit report that are not correct:
- A. Can never be removed
 - B. Don't affect your credit rating
 - C. Are best ignored
 - D. Should be removed once the mistake is shown to the credit reporting company
- _____ 92. A regular paycheck helps your credit score because:
- A. It can be cashed and spent quickly
 - B. It has taxes pulled out
 - C. It shows you will not pay your bills on time
 - D. It indicates you are likely a good credit risk
- _____ 93. A savings account:
- A. Is no use in developing a credit history
 - B. Should have your correct Social Security Number attached so that it helps your credit history
 - C. Can be used to write checks and is a credit account
 - D. Can only be opened once you are 18 years old
- _____ 94. To build up a good credit history, you should:
- A. Get a Social Security Number if you do not already have one
 - B. Get as many credit cards as you can
 - C. Always pay at least the minimum amount due on your credit card
 - D. A and C
- _____ 95. Payday loans:
- A. Are a cheap way to borrow money, since it is for such a short term
 - B. Are available from your local bank branch
 - C. Charge far more in interest than a typical credit card interest charge
 - D. Are the best way for young students to build up a good credit rating

- ____ 96. Cleared checks:
- A. Are available as online images for you to refer to, or as reduced images sent with each monthly statement
 - B. Are always sent to the account holder with each monthly statement
 - C. Should be used to notify the people you wrote the check to, since they haven't cashed the checks yet
 - D. Are automatically redeposited if the check image is lost
- ____ 97. An ATM check card:
- A. Is exactly the same as an ATM debit card
 - B. Can only be used to withdraw money that is in your account, not to overdraw your account
 - C. Can overdraw your account if you make a store purchase beyond your current account balance
 - D. Can be used at an ATM or at a store to make purchases
- ____ 98. It is important to balance your checkbook every month because:
- A. Even automatic check readers can misread an amount you wrote on your check
 - B. Banks calculate interest by hand, and sometimes they forget to do this step
 - C. Otherwise you are likely to spend more money than you earn
- ____ 99. Overdraft protection:
- A. Is always a free service provided by banks
 - B. Is like a credit card you don't use until your checking account gets below a zero balance
 - C. Is always a waste of money because people don't bounce checks any more
 - D. Should be bought by everyone, even if they always keep a significant amount of money in their account

_____ 100.Banks offer points or rewards because:

- A. They believe you will get hooked on the thrill of buying new stuff, and this will make you more likely to pay interest on credit cards month after month, instead of only buying what you can afford
- B. They like to make your life more fun
- C. You will be more likely to switch to another bank if you feel you are getting something for nothing
- D. They want you to practice good saving habits

_____ 101.When writing a check:

- A. Always print your signature
- B. Sign on the line that says Pay to the order of
- C. Spell out the dollars and cents on the long line that ends in Dollars
- D. Spell out the dollars and cents in the short box next to the \$ symbol

_____ 102.A credit union:

- A. Requires membership, but in other respects is like a bank
- B. Can't keep savings accounts
- C. Never has interest rates as good as a bank
- D. Is only open to college students

_____ 103.An overdraft fee:

- A. Is a fee charged by a business when a check you write to them bounces
- B. Is the minimum balance required to be held in a bank account
- C. Is a fee paid to a payday loan company
- D. Is the fee charged by a bank when your checking account balance goes below zero

_____ 104.The Better Business Bureau is:

- A. A government agency in charge of recalls
- B. A place to report fraud or identity theft
- C. A company that develops rules to protect consumers
- D. A nonprofit consumer organization

- _____ 105. How can you make the most of a tight budget?
- A. Making a list before shopping
 - B. Buying on sale
 - C. Setting good priorities
 - D. All of these
- _____ 106. How can you tell the value of a purchase?
- A. Looking at the price tag
 - B. Asking a friend
 - C. Thinking of how it will affect your life
 - D. Figuring out how much it cost to manufacture
- _____ 107. Which is NOT a step in researching your purchase?
- A. Comparing prices
 - B. Getting your friends' approval
 - C. Looking at customer reviews
 - D. Trying on apparel
- _____ 108. A car and a computer are examples of what?
- A. Secondary needs
 - B. Excess
 - C. Primary needs
 - D. None of these
- _____ 109. What is the main reason people shop?
- A. To have fun with friends
 - B. To provide for primary needs
 - C. To look stylish
 - D. To express personality

- _____ 110. Overdraft fees can be avoided by:
- A. Trying to keep a minimum balance of \$10 in your account
 - B. Going to the bank branch after being charged the fee and explaining that you meant to have more money in the account but forgot
 - C. Knowing your account balance and what upcoming bills will be paid
 - D. Having a cell phone bill that automatically re-ups your minutes without you being aware of how much money that will cost
- _____ 111. Savings accounts at banks are protected by:
- A. FDIC insurance
 - B. Risk and return curves
 - C. An annual percentage rate
 - D. Mutual fund returns
- _____ 112. Which method of commuting is mostly likely to reduce your need to go to the gym or get a treadmill?
- A. Car
 - B. Bus
 - C. Walking
 - D. None of the above
- _____ 113. True or False: It is generally better to concentrate your exercise time on the weekends only for maximum aerobic benefit.
- A. True
 - B. False
- _____ 114. If owning a car costs you \$350 per month but allows you to work a second job that provides take-home pay of \$125 per week, is it worth it financially to have the car?
- A. Yes
 - B. No

- _____ 115. True or False: When starting out a career, you should always work at least two jobs so that you can accumulate money for investing and long-term growth.
- A. True
B. False
- _____ 116. Which of the following is a true statement?
- A. Short-term goals are more important than long-term goals
B. You should eat more of the foods at the top of the food pyramid
C. Lack of sleep can weaken your immune system
D. Pasta and chicken are in the same food group because they both contain protein
- _____ 117. In the computer lesson, which of these is not one of your goals?
- A. Remain healthy so you don't lose your job
B. Find a cheaper apartment to rent
C. Enroll in night school and work toward your associate's degree
D. Purchase a treadmill to begin exercising at home
- _____ 118. On average, the ideal amount of sleep for most adults is:
- A. 5-6 hours
B. 6-7 hours
C. 7-8 hours
D. 8-9 hours
- _____ 119. Time management can help you:
- A. Reach your long-term and short-term goals
B. Minimize stress from feeling too busy
C. Balance work, rest, and recreational activities
D. All of the above
- _____ 120. Which of these is not a result of regular exercise?
- A. Preventing weight gain
B. Causing your heart to wear out faster
C. Helping reduce your stress levels
D. Helping you to stay mentally alert

- _____ 121. True or False: In the computer lesson, eating one meal per day was enough to maintain your health.
- A. True
B. False
- _____ 122. Money in your emergency fund could be wisely used:
- A. To buy a new pair of shoes that went on sale
B. To put money down on a new car
C. To pay for an unforeseen health expense
D. To lend money to a friend to pay off credit card debt
- _____ 123. When estimating income, it is better to be:
- A. A little low
B. A little high
C. Either, it doesn't matter
- _____ 124. Which is NOT something you should look for in a savings account?
- A. Low (or no) monthly fee
B. Rewards for using your debit card
C. Free online banking
D. Competitive interest rate
- _____ 125. How much money should you save each month?
- A. Always save 10% of your income
B. You must decide what you can afford
C. Save \$50 from every paycheck
D. Only save your spare change
- _____ 126. Preparing a budget is:
- A. An ongoing process
B. Something you only have to do once in your lifetime
C. Not an effective way to save money
D. A method for calculating take-home pay

- _____ 127. A budget can help you reach a financial goal by:
- A. Showing you how you can earn more income
 - B. Allowing you to see where you can cut back on spending
 - C. Giving you the tools to change more fixed expenses to flexible expenses
 - D. All of these
- _____ 128. Why is it harder to estimate expenses than to estimate income?
- A. Expenses often change more from month to month
 - B. You can never truly know how much you spend
 - C. Your income will never change
 - D. None of these
- _____ 129. Which of the following is an example of irregular income?
- A. A full-time job
 - B. A part-time job
 - C. A graduation gift
 - D. Both b and c
- _____ 130. In the computer exercise, what were some of your expenses?
- A. Interest income, car insurance, tax refunds
 - B. Take-home pay, rent, electricity
 - C. Rent, renters insurance, bus tokens
 - D. All of these
- _____ 131. Which is NOT a money management skill discussed in the lesson?
- A. Estimating expenses
 - B. Calculating the correct income tax rate
 - C. Formulating a budget
 - D. Saving for emergencies

- _____ 132. Which of the following utilities may be billed separately from your rent?
- A. Water
 - B. Electricity
 - C. Phone service
 - D. All of the above
- _____ 133. Which of the following are considerations in choosing an apartment:
- A. Cost
 - B. Proximity to work
 - C. Availability of mass transit
 - D. All of the above
- _____ 134. A landlord can refuse to rent you an apartment if which of the following is true?
- A. You are married
 - B. You are of Irish descent
 - C. You own a cat and a dog
 - D. You are a Buddhist
- _____ 135. Which of the following information would not be found in a typical lease?
- A. The amount of the monthly rent payment and the day of the month it is due
 - B. The name of the previous tenant
 - C. The address of the unit being rented
 - D. The beginning and ending dates of the rental agreement
- _____ 136. The most important thing to consider when choosing an apartment is:
- A. Whether or not pets are allowed
 - B. How many bedrooms there are
 - C. Whether or not the apartment is located on a bus line
 - D. If you can afford to pay your rent and other costs on an ongoing basis

- _____ 137. Your landlord has the right to:
- A. Charge you the late fee stated in your lease if your rent payment is late
 - B. Enter your apartment without your permission to repair a leaky valve in your faucet
 - C. Terminate the rental agreement within 30 days if she finds a better tenant
 - D. Terminate your lease if she discovers you have lost your job
- _____ 138. Most landlords require the renter to pay a security deposit at the beginning of the rental agreement. Which of the following is true about the security deposit?
- A. The deposit is kept by the landlord to cover his management costs
 - B. The deposit can never be greater than \$100
 - C. The deposit can be used to repair damage caused by the tenant during the term of the lease
 - D. None of these
- _____ 139. How much of your take-home paycheck should be budgeted for base rent?
- A. 20%
 - B. 30%
 - C. 40%
 - D. 50%
- _____ 140. Which of the following best describes a lease?
- A. A legal document that contains all the details of the agreement between the landlord and renter which is signed by both parties
 - B. An informal agreement between the renter and the landlord in which the renter signs it when he or she is thinking about renting an apartment
 - C. A document that describes in detail the apartment for rent
 - D. An agreement between someone searching for an apartment to rent and his or her real estate agent
- _____ 141. In which of the following locations could you find an ad for an apartment?
- A. In the local newspaper
 - B. On the Internet
 - C. In the phone book
 - D. All of these

- _____ 142. Purchasing rather than leasing will generally cause your initial monthly payments to be:
- A. Higher
 - B. Lower
 - C. The same
- _____ 143. A substantial one of these will keep you from going upside down on your loan, that is, owing more on your car than it is worth:
- A. Finance Charges
 - B. Insurance
 - C. Down Payment
 - D. Interest
- _____ 144. Which one of the following is not part of your automobile operating costs?
- A. Insurance
 - B. Transaction fees
 - C. Parking
 - D. Gas
- _____ 145. This type of insurance pays to fix damages that you cause, but does not cover your own car:
- A. No-fault
 - B. Collision
 - C. Liability
 - D. None of the above
- _____ 146. This number helps you compare loans:
- A. APR
 - B. Credit score
 - C. GPA
 - D. Principal

- _____ 147. With this type of insurance, if you are involved in an accident both parties will be covered by their own insurance policies:
- A. Collision
 - B. No-fault
 - C. Comprehensive
 - D. Liability
- _____ 148. This allows you to use a car for a specified period of time for a specified monthly payment:
- A. Loan
 - B. Contract
 - C. Lease
 - D. Gift
- _____ 149. This includes all the money you will have to pay to a lender beyond the amount you need to purchase the car:
- A. Lease
 - B. Transaction Fees
 - C. Finance Charges
 - D. Down Payment
- _____ 150. This will allow you to borrow money to buy a car, but you will have to pay it back with interest over time:
- A. Gift
 - B. Lease
 - C. Lend-lease
 - D. Loan