Take Charge of Your Finances
Pre/Post

Directions: Circle the correct answer for each question.

1. Which of the following has the least influence on an individual’s values?
   a. Media
   b. Family
   c. Religious affiliations
   d. Grade average

2. A need is best defined as:
   a. the end result of something a person intends to acquire, achieve, do, reach, or accomplish in the near or distant future
   b. something thought to be a necessity or essential items required for life
   c. a fundamental belief or practice about what is desirable, worthwhile, and important to an individual
   d. something unnecessary but desired or items which increase the quality of living

3. Kaylee will save her allowance of $25 per month to purchase a $150 mp3 player in six months. This is an example of what type of goal?
   a. Short-term goal
   b. Long-term goal
   c. Education Goal
   d. This is not an example of a goal

4. One element of a financial goal is missing in the example below. Which one is it?
   "I will save $150 each month to go on a vacation."
   a. Time Bound
   b. Specific
   c. Attainable
   d. Realistic

5. Goals are most likely to be accomplished if an individual:
   a. lets his/her parents set their goals
   b. lets their friends set their goals
   c. writes their goals down
   d. thinks about their goals often
6. What is financial planning?
   a. A fundamental belief or practice about what is desirable and worthwhile
   b. A process used to achieve financial success based upon financial goals and plans
   c. An investment plan that includes stocks, bonds, and mutual funds
   d. A set of financial documents including net worth, a will and insurance policies

7. Chance is 25 years old, single, and has no children. He has just graduated college and has accepted a job as a mechanical engineer. These are examples of Chances’s:
   a. lifestyle conditions
   b. life cycle needs
   c. financial needs
   d. goals

8. Action statements should be used when writing a résumé. Which of the following is a properly written action statement?
   a. Supervised daily operations of 4 employees
   b. I saved money from a part-time job to finance the purchase of a new car
   c. I participated in the Family Career, and Community Leaders of America (FCCLA) as a member in a chapter of 32 students.
   d. Speech and Drama Team

9. In order to make an informed career decision, a high school student will want to:
   a. commit to a profession that requires a college degree
   b. choose a career that offers the amount of money desired
   c. develop personal goals, complete an interest inventory, and research careers
   d. choose a training program that will guarantee employment after the course work is completed

10. Lora is a high school computer and technology teacher. She enrolls in a computer class at least twice per year to stay current on recent technology changes and updates. By continuing her education, Lora is investing in her:
    a. salary
    b. human capital
    c. family
    d. interest inventory

11. Individuals with more formal educational training usually have:
    a. higher estimated lifetime earnings
    b. lower personal satisfaction
    c. greater amounts of leisure time
    d. more comfortable work environments

12. Susan is currently working in Kansas City, MO earning $30,000 a year. She is offered a position in Indianapolis, IN earning $32,000 a year. If Kansas City’s index is 100 and Indianapolis’ index is 115, which is true: (Show your computation.)
    a. Susan will have more spending power if she moves to Indianapolis
    b. Susan will have more spending power if she stays in Kansas City
    c. Susan will have the same spending power in Indianapolis as she has in Kansas City
    d. There is not enough information to decide
13. The government uses money collected from taxes to:
   a. finance the Internal Revenue Service
   b. encourage private enterprise
   c. establish food networks
   d. provide goods and services for the public

14. A dependent is a person who:
   a. relies on the taxpayer for financial support
   b. relies on the government for their Social Security benefit check
   c. pays the taxes for all the members of the family
   d. depends on their job for needed financial support to pay their expenses

Use the following scenario for questions 15 and 16.

Bob is working for a bank. He earns $8.00 an hour, works 40 hours a week, and gets paid every 2 weeks. He pays $63.08 into federal withholdings, $33.21 into state withholdings, and $42.05 into FICA.

15. What is Bob's gross pay on his paycheck?
   a. $181.66
   b. $363.32
   c. $576.92
   d. $640.00

16. What is Bob's net pay on his paycheck?
   a. $501.66
   b. $320.00
   c. $576.92
   d. $640.00

17. A spending plan is affected by which of the following factors?
   a. Needs
   b. Values
   c. Wants
   d. All of the above

18. If expenses were to exceed income on a spending plan, what would be a financially smart solution?
   a. Decrease expenses
   b. Use a credit card more often
   c. Earn less income
   d. Increase purchases

19. Depository Institutions offer a wide variety of services including:
   a. checking and savings accounts
   b. loans and investments
   c. financial counseling
   d. All of the above
20. Funds deposited in a federally insured account (FDIC) are protected against loss for up to:
   a. $50,000.00
   b. $1,000,000.00
   c. $250,000.00
   d. $10,000.00

21. Electronic banking allows the consumer to:
   a. eliminate the need to reconcile their bank account
   b. correct fraud or identity theft as soon as it occurs
   c. have 3-4 days of float time after a check is written
   d. have 24/7 access to banking transactions

22. When comparing and contrasting debit and credit cards, it could be said that:
   a. debit cards allow for overspending and credit cards are limited to the amount in the designated bank account
   b. a debit card withdraws money from a designated bank account for immediate payment instead of making purchases on credit
   c. credit cards are not widely accepted by stores but debit cards are
   d. debit cards and credit cards function in the same manner

23. In order to use online banking safely when making a purchase or when paying a bill, a person should make sure to:
   a. make the transaction using their personal e-mail account
   b. use an account that is password protected
   c. make sure that the bank website uses https in the URL and the closed pad lock icon
   d. b and c only
   e. a, b, and c

24. When comparing and contrasting savings and investing, which of the following is true?
   a. Savings is used to pay for long-term goals, while investing is used to pay for emergencies
   b. Savings is less liquid than investing
   c. Savings provides the foundation for financial security, while investing is used to pay for long-term goals, such as retirement
   d. All of the above

25. Shelley’s net income is $1500 per month and her total expenses equal $1200. What is the minimum amount of money Shelley should keep in the form of liquid assets that are not used to pay for current consumption?
   a. $3600
   b. $7200
   c. $9000
   d. $14,400

26. What does “pay yourself first” mean?
   a. An individual should save whatever money is left over after paying monthly bills
   b. An individual should pay all fixed expenses before paying flexible expenses
   c. An individual should consider savings to be a fixed expense
   d. An individual should consider savings to be a flexible expense
27. Which of the following statements correctly describes the security level of savings tools?
   a. Savings tools are not secure because they have a high risk of losing money
   b. Savings tools are secure because they are protected by the U.S. government against loss
   c. Savings tools are very secure because there are no risks involved with saving or investing
   d. None of the above is true. It would be safer to keep the money at home in a shoe box

28. How liquid is a savings account?
   a. More liquid than cash
   b. Less liquid than mutual funds
   c. More liquid than stocks and bonds
   d. All of the above

29. Hannah needs a savings tool to help her manage her everyday purchases. The savings tool needs to be very liquid and accessible. Which of the following savings tools should Hannah choose?
   a. Certificate of deposit
   b. Checking account
   c. Money market deposit account
   d. Any of the above savings tools would help Hannah

30. What is inflation?
   a. The rise in the general level of prices
   b. The uncertainty the return on an investment will deviate from what is expected
   c. The number of times something happens to money
   d. The projected value of an investment at the end of a specified time frame

31. The relationship between risk and return in investing can be stated as:
   a. higher risk indicates lower return
   b. higher risk indicates higher return
   c. lower risk indicates higher return
   d. no relationship exists between risk and return

32. A diversified portfolio is desirable because it:
   a. increases the risk/return ratio
   b. limits investors choices to only one or two investment tools
   c. indicates an investor is a good predictor of the return an investment will have
   d. decreases risk by investing money in a variety of investment tools

33. The value of a stock can change when:
   a. dollar value of a stock increases or decreases
   b. a stock split occurs
   c. a merger happens between two companies
   d. All of the above

34. Which of the following is an act of identity theft?
   a. Receiving permission to use a parents’ credit card for school clothes
   b. Wrongfully acquiring and using someone’s personal identification
   c. Taking the identity of another individual as inspiration for a costume
   d. Having the same name as another person
35. Which of the following actions will **not** make an individual vulnerable to identity theft?
   a. Purchasing an item online with a credit card
   b. Responding to an e-mail from your depository institution
   c. Paying cash for a movie ticket
   d. Throwing mail in the garbage

36. An individual can decrease the risk of fraudulent use of their credit cards by:
   a. carrying all credit cards in their wallet so they do not get lost
   b. signing the back of card with a signature and “Please see ID”
   c. giving out account numbers over the phone rather than on the Internet
   d. All of the above

37. Chris has just discovered that he has been a victim of identity theft. What should he do to resolve the theft?
   a. File a police report in the community where the theft occurred
   b. Leave all fraudulent accounts open as proof
   c. Contact one of the three credit bureaus
   d. All of the above

38. If a credit card is used fraudulently, what is the cardholder’s personal liability for the unauthorized charges?
   a. The cardholder has no liability for unauthorized charges if they are reported within 60 days
   b. The cardholder’s liability is limited to $50.00 for unauthorized charges if they are reported within 60 days
   c. The cardholder’s liability will vary depending on the amount that was fraudulently charged to the card
   d. The card holder is liable for all unauthorized charges to the card

39. Which of the following is NOT included in an individual’s credit report?
   a. Current and past addresses
   b. Employment history
   c. Bankruptcies and foreclosures
   d. Medical information

40. A consumer will develop a positive credit history if they:
   a. pay phone and utility bills on time
   b. maintain reasonable amounts of unused credit
   c. pay cash for the majority of purchases
   d. All of the above

41. A low credit score will affect an individual financially because the ________________.
   a. interest rate of loans will be lower
   b. purchase price of an item will be higher
   c. monthly payments will be lower
   d. the interest rate of loans will be higher
42. Jenny is 18 years old and has applied for credit for the first time. Her credit application was declined, because she had no credit history. What should Jenny do to begin to build a positive credit history?
   a. Acquire a small loan from a depository institution
   b. Obtain a credit card with a co-signer
   c. Obtain a secured credit card
   d. Any of the above

43. When may a person view his/her credit report for free?
   a. At any time and an unlimited number of times
   b. Once a year, from each of the three main credit reporting agencies
   c. A person may not review his/her credit report
   d. If a person has sufficient financial resources

44. How can a cardholder avoid paying interest on a credit card?
   a. Pay the minimum balance every month
   b. Pay the balance in full every month
   c. Only use a credit card for balance transfers
   d. Interest is always paid on a credit card

45. If a credit card is used properly, what benefits does it have for the cardholder?
   a. The cardholder will pay higher interest rates on other forms of credit
   b. The cardholder will develop a positive credit history
   c. The cardholder will develop a negative credit history
   d. There are no benefits for the cardholder

46. Only making the minimum payment on a credit card every month will:
   a. only pay a small percentage of the total balance owed
   b. make the final amount paid substantially higher than the amount initially charged to the card
   c. result in slow progress towards paying off the total balance on the card
   d. All of the above

47. The type of insurance that is the minimum required by law for automobiles is:
   a. medical payment insurance
   b. physical damage insurance
   c. liability insurance
   d. uninsured or underinsured motorists insurance

48. Health insurance coverage usually excludes _________________.
   a. cosmetic surgery
   b. routine medical procedures
   c. prescriptions
   d. medical emergencies
49. Renter’s insurance is not required, but is a good idea because:
   a. the renter would have double coverage because of the landlord’s policy
   b. it will protect the renter from being evicted
   c. the renter should protect themselves from damage caused by guests
   d. the landlord’s insurance does not cover the renter’s personal possessions

50. Tiffany was recently involved in a vehicle accident. In order to get her car fixed, her insurance company is requiring her to pay the first $500 of the repair bill because:
   a. she did not call her agent and report the accident quickly enough
   b. her policy’s deductible is $500
   c. she will be reimbursed by the insurance company later
   d. the cost of the repairs is higher than her policy covers

51. Life insurance should be purchased when the individual:
   a. has dependents
   b. reaches the age of 50
   c. flies in an airplane
   d. gets their first job

52. Before a renter is allowed to take possession of a rental property, they will be expected to:
   a. pay the utility bill and give notice of moving date
   b. receive a mortgage and pay the down payment
   c. acquire renter’s insurance and pay property taxes
   d. pay a security deposit and sign a lease

53. The maximum amount an individual should pay for the purchase price of a home is:
   a. the same amount as his/her annual household income
   b. 2 ½ times his/her annual household income
   c. 1/3 of his/her annual household income
   d. there is no limit on the amount an individual should pay for a home

54. The equity that you build by making mortgage payments is:
   a. the value of the home after the mortgage debt is subtracted
   b. Purchasing a housing unit as rental property
   c. A home loan where the real estate is the collateral
   d. The amount of money paid on the home at the time of purchase

55. Amenities in a living space may include which of the following?
   a. Extra insulation
   b. Internet service
   c. Carpet in the bedrooms
   d. Kitchen appliances
56. The base price that is quoted is the price of the car:
   a. from which the dealer will negotiate with the buyer
   b. with only the standard equipment, no extra options
   c. that the buyer has in mind when they begin the negotiating process
   d. with the most popular options to attract consumers

57. A cosigner is a person who is:
   a. applying for a loan
   b. paying for a major purchase with cash
   c. loaning money to a consumer
   d. guaranteeing a loan repayment for the original borrower

58. Consumers may save money when purchasing automobile insurance by:
   a. shopping around to compare prices
   b. having as small deductible as possible
   c. buying all of the coverage options so that every loss will be covered
   d. being untruthful with your insurance agent

59. Which of the following is a factor that influences automobile insurance rates?
   a. Health practices
   b. Driving record
   c. Car contents
   d. Car color

60. What is a convenience product?
   a. A partially prepared product to which the consumer adds a few key ingredients
   b. A product prepared from a recipe with multiple items
   c. A previously prepared product which requires no preparation
   d. A product including all of the ingredients and must be cooked or baked