

Personal Finance

- 1) Earning a degree at a four-year college is a _____ goal for a high school sophomore.
- short-term
 - long-term
 - mid-term
 - future financial

Competency: Financial principles related to personal decision making

- 2) What is the time value of money?
- the value of time in inflation
 - the amount of the dividend divided by the time invested
 - the time that it takes coins to increase in value
 - the increase of an amount of money due to earned interest or dividends

Competency: Financial principles related to personal decision making

- 3) One example of non-taxable income is:
- salary
 - child support
 - interest earned on savings
 - dividends earned on stocks

Competency: Earning a living

- 4) The sales tax is an example of which type of tax?
- regressive
 - progressive
 - excise
 - proportional

Competency: Earning a living

- 5) The first step for financial planning is:
- determining and evaluating choices
 - organizing financial resources to achieve financial goals
 - prioritizing choice to make money go as far as possible
 - avoiding money worries by eliminating careless and wasteful spending

Competency: Managing budgets and finances

- 6) _____ is **not** a commodity sold on the futures market.
- Coal
 - Corn
 - Beef
 - Stock

Competency: Saving and investing

- 7) The _____ is the legally established ownership of a home.
- lie
 - deed
 - title n
 - mortgage

Competency: Buying goods and services

- 8) Because of an error in the pricing bar code, everyone who bought a pair of jeans at a nationwide clothing store last month was overcharged by three dollars. The legal action that would be most appropriate in this case would be:
- a class action lawsuit
 - arbitration
 - negotiation
 - mediation

Competency: Buying goods and services

9) The _____ endorsement on a paycheck is the safest for the consumer.

- a. blank
- b. special
- c. restrictive
- d. two-party

Competency: Banking and insurance

10) _____ can solve a sudden need for cash with a pre-established amount that can be borrowed on demand with no collateral.

- a. Line of credit
- b. Deferred billing
- c. Collateral
- d. Overdraft protection

Competency: Credit and debit

ANSWER KEY

- 1. B
- 2. D
- 3. B
- 4. A
- 5. A
- 6. D
- 7. C
- 8. A
- 9. C
- 10. A