

FINANCIAL and ECONOMIC LITERACY

Financial Basics, Paying for College, World of Work, College Life
Post-Assessment

1. Why is it risky to lend your car to a friend?
 - A. They might not put gas in your car
 - B. You might not be covered if your friend gets in an accident
 - C. Your friend might make a habit out of asking to borrow your car
 - D. Your friend might bust your car speakers

2. Budgeting and Financial Planning is the same thing.
TRUE FALSE

3. It is important to understand the difference between needs and wants when budgeting.
TRUE FALSE

4. The three major credit reporting agencies are
 - A. Credit Fact, Equifax, Bing
 - B. Experian, TransUnion, Equifax
 - C. Target, Dillard's, Macy's
 - D. Credit Bureau, TransUnion, Experian

5. A budget helps you
 - A. Adjust your spending habits as your financial situation changes
 - B. Stay in Debt
 - C. Rob Peter to pay Paul
 - D. Decide between something you want and something you want really bad

6. When choosing a credit card it is important to consider
 - A. Annual fees
 - B. Service charges
 - C. Interest rate
 - D. All of the above
 - E. None of the above

Name: _____ C# _____

Date: _____

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7. When using a credit card it is **NOT** wise to
- A. Pay your credit card balance monthly to avoid interest charges
 - B. Opt in to pre-screened credit card offers
 - C. Limit yourself to one credit card
 - D. Create a plan to pay off large balances quickly
8. The Credit Card Protection Act of 2009 contains new protections for college students including a requirement that card issuers and universities disclose agreements with respect to marketing or distribution of credit cards to students.
- TRUE FALSE
9. To get out of credit card debt you should
- A. Revisit your monthly spending plan
 - B. Create a debt recovery plan
 - C. Visit a professional credit counselor
 - D. Look for a part-time job and use the money to pay more on your credit card bills
 - E. All of the above
10. Creating a budget while in college can help you
- A. Meet personal goals such as studying abroad
 - B. Stay out of debt
 - C. Prepare for long term financial health
 - D. All of the above
 - E. None of the above
11. To assist in preventing identity theft you should **NOT**
- A. Tear up or shred documents with important account or financial numbers listed on them
 - B. Send your credit card numbers over the internet especially if the website is not secure
 - C. Review your credit card statements and telephone bills for unauthorized charges
 - D. Keep your credit card and ATM receipts in a safe place
12. Which of the following is **NOT** a reason for overspending?
- A. Peer pressure
 - B. To feel good right now
 - C. No financial goals
 - D. Keeping up with neighbors and friends
 - E. Living within your means

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13. One of the keys to figuring out how much you actually spend is to
- A. Ask the bank
 - B. Keep track of your expenses in your head
 - C. Write down your income and expenses
 - D. Forget about it
14. Using a credit card is not a form of borrowing.
TRUE FALSE
15. Defining your personal budget helps you add _____ to your spending habits.
- A. Doubt
 - B. Structure
 - C. Preference
 - D. Carelessness
16. Spending, borrowing, and rent paying behavior determines how your _____ may rise or fall on a continuing basis.
- A. Budget
 - B. Financial plan
 - C. Credit Score
 - D. Checking account balance
17. Federal law entitles you to one free credit report each year.
TRUE FALSE
18. Check cashing, payday loans, pawn shops, and rent to own stores offer quick financial fixes but end up costing more money in the long run due to high fees and high interest rate charges.
TRUE FALSE
19. Compound interest allows you to earn interest on the amount you deposit in a savings account plus on all the interest you earned previously.
TRUE FALSE

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20. SMART goals are
- A. Cool, Easy, Fun, Artsy, Specific
 - B. Specific, Measureable, Attainable, Realistic, Time Bound
 - C. Time Bound, Specific, Easy, Cool, Fun
 - D. Artsy, Attainable, Hard, Expensive, Time Consuming
21. A proven way to build wealth is to
- A. Tell yourself you are going to save money
 - B. Pay yourself first
 - C. Not build the habit of saving
 - D. Win the lottery
 - E. All of the above
22. When investing in a mutual fund, the fund uses your money and money from other investors to buy shares of stocks or bonds in several different companies.
TRUE FALSE
23. When you buy stock in a company you become part owner of that company.
TRUE FALSE
24. A dividend is the sum of money paid to _____ of a corporation out of the corporation's earnings.
- A. CEO
 - B. CFO
 - C. Government
 - D. Shareholders
 - E. None of the above
25. After you graduate, leave school, or drop below half-time enrollment you have ____ months before you must begin repaying student loans.
- A. 3
 - B. 12
 - C. 8
 - D. 6
 - E. You get to decide how many months

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26. How much money should you keep in your emergency fund?
- A. 3% of your current salary
 - B. The equivalent of 3 months living expenses
 - C. Nothing – you can use your credit card
 - D. None of the above
27. Establishing short term, medium term, and long term goals are an important part of financial planning.
- TRUE FALSE
28. Which is a required payroll deduction
- A. FICA (Social Security and Medicare)
 - B. Interest Income
 - C. Health Insurance
 - D. Retirement Contributions
 - E. All of the above
29. A W-4 Form tells your employer
- A. How much money to add to your paycheck
 - B. Your personal information
 - C. Your hire date
 - D. How much money to withhold from your paycheck in taxes
 - E. All of the above
30. Common tax deductions are tuition and fees, student loan interest, mortgage interest, charitable donations, medical expenses (If more than 7.5% of Adjusted Gross Income).
- TRUE FALSE
31. Internships are a good way to
- A. Find out what the company is like
 - B. Get your foot in the door to a full-time permanent position
 - C. Determine if you really like the line of work
 - D. All of the above
 - E. None of the above

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32. Good communication skills are **NOT** important in making yourself employable.
TRUE FALSE
33. Effective resumes **do not** include
- A. Contact information, Education, School and Major
 - B. Work History, Responsibilities, and Contributions
 - C. Skills, Personal strengths, awards and accomplishments
 - D. Typos, Negative details, Marital status
34. Which of the following is **NOT** a need?
- A. Clothing
 - B. Shelter
 - C. Vehicle
 - D. Food
35. The maximum amount you can charge on a credit card is called the
- A. Debt
 - B. Budget
 - C. Credit Limit
 - D. Overdraft
36. If the value of the stock or bond declines, the value of the mutual fund increases.
TRUE FALSE
37. What is a result of debt?
- A. Extra Money
 - B. Excellent Credit Score
 - C. Stress
 - D. A, B, C
38. Under which of the following circumstances would it be financially beneficial to you to borrow money to buy something now and repay it with future income?
- A. Clothing sale
 - B. When the interest on a loan is greater than the interest you get on your savings
 - C. When you need two week vacation
 - D. When you need to buy a car to get a better paying job

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39. When preparing for an interview, researching the company, its business, position in the field, and competition demonstrates your interest in the job as well as your initiative.

TRUE FALSE

40. Financial aid consists of everything except

- A. Grant and Scholarships
- B. Employment
- C. Loans
- D. Inheritance
- E. All of the above

41. Clear, prompt communication is **NOT** key to a successful relationship with your schools financial aid office.

TRUE FALSE

42. Which of the following is a student loan repayment option?

- A. Standard
- B. Extended
- C. Graduated
- D. Income Based, Income Contingent, Income Sensitive
- E. All of the above

43. When considering graduate school it is **NOT** wise to

- A. Evaluate your finances
- B. Explore financial aid options
- C. Seek out scholarship opportunities
- D. Research the school you are interested in
- E. Give yourself limited time to adequately research all of your options

44. When can you start putting money into a retirement account?

- A. As soon as you turn 18
- B. As soon as you make \$50,000 a year
- C. When you turn 21
- D. When you retire
- E. As soon as you begin earning income

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45. Gregory and David are employed by the same company and earn the same pay. Gregory spends his free time furthering his education and taking work related classes to improve his computer skills. David spends his free time socializing with the ladies, sleeping, and working out. After five years, what is likely to be true?
- A. David will be promoted over Gregory because he is more social
 - B. They will both continue to make the same amount of money
 - C. Gregory will make more money because he is more valuable to the company
 - D. David will find himself barbequing more because the ladies love his cooking
46. If one of your roommates drops out and leaves an apartment you've leased together, who is legally responsible for that roommate's share of rent?
- A. You
 - B. Your roommate
 - C. It depends on state law
 - D. Your parents
47. What is a phisher fishing for?
- A. Your personal information
 - B. Digital fish in an online game
 - C. Your academic records
 - D. Your driving history
48. If someone steals your credit card and uses it, how much could you end up owing?
- A. \$50
 - B. \$500
 - C. All unauthorized charges
 - D. Nothing

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49. Where can you find the best cheap eats?

- A. At a salad bar
- B. At a pizza joint
- C. At home
- D. At a 2 star diner

50. What happens to the money you contribute to a 401(k) or 403(b) plan if you leave your job?

- A. Your employer keeps it
- B. You split it 50/50 with your employer
- C. It's yours and you can decide what to do with it
- D. It goes to the general fund