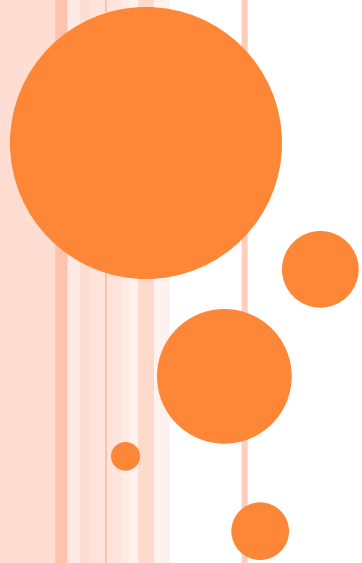


PERSONAL FINANCE FINAL EXAM REVIEW




Click here to
begin

FINAL EXAM REVIEW

Once you work through the questions, you will have a good ideas of what will be on the final next week.



Click here if you are too smart and don't need to review



Click here to begin the review

FINAL EXAM REVIEW

- Answer the questions by picking the most correct answer and clicking on the correct button.

Let's begin



WRONG ANSWER

Click here to try
the question again!



QUESTION #1

When you get into a wreck, what part of your auto insurance covers injury to someone in the other car?

Personal
Injury
Protection

Bodily Injury
Liability

Comprehensive

Collision



CORRECT!!



QUESTION #2

What is a bond?

A loan from one company
to another

Partial ownership in
a company

Debt a company sells to raise
money



CORRECT!!



QUESTION #3

When looking for the best mortgage rate, you should?

Take the first offer you get

Shop around for different quotes

Let someone else tell you the best deal



CORRECT!!



QUESTION #4

When planning a vacation, who should help decide on where to go?

The whole family

Just the parents

No one, just where ever the car takes you



CORRECT!!



QUESTION #5

Which of the following is NOT a reason to get pre-approval for a mortgage?

It really isn't that important when buying a house

So you know exactly how much house you can afford

So you can negotiate a better price



CORRECT!!



QUESTION #6

How would Dave Ramsey tell you to buy a car?

Take the biggest loan possible

As long as you can make the monthly payment, you're okay

Pay cash for a cheap car, invest the monthly payment, and pay cash every three years for a newer car



CORRECT!!



QUESTION #7

Net pay is the money you get after taxes are taken out of your paycheck

TRUE

False



CORRECT!!



QUESTION #8

An adjustable rate mortgage has an interest rate that changes every year, depending on the contract and the market

True

False



CORRECT!!



QUESTION #9

What is a mutual fund

A group of stock bought together that a similar theme

Group of stocks that have nothing in common

An index telling you about the market



CORRECT!!



QUESTION #10

A dividend is money you get because you attend the annual shareholders meeting

True

False



CORRECT!!



QUESTION #11

Most financial advisors will tell you that the average person should carry _____ times their annual income in life insurance

5

10

15

20



CORRECT!!



QUESTION #12

A budget is a spending and savings plan

True

False



CORRECT!!



QUESTION #13

A certificate of deposit (CD) is a high risk invest that normally pays a huge return

True

False



CORRECT!!



QUESTION #14

When you own a car, and you owe more money than the car is worth, it is said you have “positive equity” in the car

True

False



CORRECT!!



QUESTION #15

What is a stock?

The right to
make money

Partial ownership
in a company

A loan to a company



CORRECT!!



QUESTION #16

Money given by a buyer to a seller as part of the purchase price to bind a transaction or assure payment

promissory

earnest

cash

warranty



CORRECT!!



QUESTION #17

Compounding is earning
interest on the interest

True

False



CORRECT!!



QUESTION #18

Gross pay is the money you make
after all taxes are taken out

True

False



CORRECT!!



QUESTION #19

When the stock market is going down, it is said to be a _____ market

Bear

Bull



CORRECT!!



QUESTION #20

Credit can best be described
as...

Buy now, pay
later

Buy now, pay
now

Pay for something now and
get it later (lay-a-way)



CORRECT!!



QUESTION #21

a loan payment by equal periodic payment calculated to payoff the debt at the end of a fixed period, including interest on the outstanding balance is called?

Amortization

Balloon Mortgage

Equity

Second Mortgage



CORRECT!!



QUESTION #22

Which of the following is NOT a question you need to ask yourself before you decide to use credit?

do I really need this purchase?

how much interest am I paying?

how much extra am I paying by charging this?

will this look good in my house?



CORRECT!!



QUESTION #23

The Social Security System was started in what year?

1918

1929

1935

1942



CORRECT!!



QUESTION #24

What is an index

Partial ownership in a
company

A way to raise money to
fund future projects

Debt that a company
sells to raise money

An indicator of how well a
specific part of the market is
performing



CORRECT!!



QUESTION #25

Chapter 7 bankruptcy remain on your credit report for 10 years

True

False



CORRECT!!



QUESTION #26

Calculate the **interest** for \$15,000 principal at 6.5% interest for one year

\$925

\$975

\$1,050

\$1,100



CORRECT!!



QUESTION #27

If you get into credit card trouble, what is the first thing you should do?

Stop using
the card

call the
company, but
keep using the
card

ignore your
credit card
bills

don't worry, as
this will never
happen to me



CORRECT!!



QUESTION #28

What percentage of NFL players are broke three years after football?

64%

72%

78%

84%



CORRECT!!



QUESTION #30

Failure to make mortgage payments on is called..

Appraisal

Delinquency

Equity

Lien



CORRECT!!



QUESTION #31

Which of the following is
an advantage of leasing a
car

No equity
build up

You can drive as
many miles as
you want

Complicated
transaction

Lower car payment



CORRECT!!



QUESTION #32

Which is NOT one of the three C's of credit?

comprehensive

character

collateral

capacity



CORRECT!!



QUESTION #33

At what is the first age you can start taking full social security benefits?

58

62

65

70



CORRECT!!



QUESTION #34

What is the average length of career for someone who plays in the NFL?

2 years

3 ½ years

5 years

7 years



CORRECT!!



QUESTION #35

A deductible is the first amount YOU will pay in the event of a insurance claim.

True

False



CORRECT!!



QUESTION #36

The stock market has averaged a return of 10% over the last 80 years

True

False



CORRECT!!



QUESTION #37

Which of the following does NOT affect your car insurance rate?

Your gender

The type of job you
have

Your credit
score

The color of your
car



CORRECT!!



QUESTION #38

What is the advantage of buying a mutual fund?

Guarantee of making money

Diversification of risk



CORRECT!!



QUESTION #39

A lien is when another person holds the title of ownership until the loan is paid off.

True

False



CORRECT!!



QUESTION #40

There are currently
more stocks traded
than mutual funds

True

False



CORRECT!!



QUESTION #41

Damage caused by your pets is NOT covered under your homeowners liability protect.

True

False



CORRECT!!



QUESTION #42

There are three major credit reporting agencies.

True

False



CORRECT!!



QUESTION #43

Over the limit fee is a penalty for spending more than your credit limit.

True

False



CORRECT!!



QUESTION #44

Term life is cheaper monthly
than whole life insurance

True

False



CORRECT!!



QUESTION #45

Flood and earthquake coverage are normally included as a part of standard home owners insurance policy in the state of Indiana

True

False



CORRECT!!



QUESTION #46

A growing trend for employers is to do what before they hire you?

Look at your
previous experience

Run your credit
report

Call your previous employers for
recommendations



CORRECT!!



QUESTION #47

What is **not** a reason to buy life insurance?

Replace income for dependents

Pay for final expenses

Leave a lasting legacy

You can't afford it



CORRECT!!



GENERAL TOPICS TO KNOW

- How to figure gross vs. net pay
- How to figure interest on an investment
- Advantages of car ownership
- Pro's / Con's of leasing a car
- Business math
- Mortgage terms
- What is the grace period on a credit card
- Comprehensive vs. collision auto insurance



Click here for
more info!



GENERAL TOPICS TO KNOW

- What type of things effect the cost of your car insurance
- Types of car insurance
- Pet damage and insurance
- Age and auto insurance
- XXXX
- What is the grace period on a credit card
- Comprehensive vs. collision auto insurance



Click here for
more info!



TEST STRUCTURE

~30 true / false question

~15 multiple choice question

Good Luck on your Final

Make sure to bring a
pencil with you on
Friday

