

WHAT DO YOU KNOW ABOUT FINANCES?

Name: Class/Block: Date:

1. People's income depends on their education, career choices, economic conditions and the investments they make.
True False
2. How much money a person needs will depend on the lifestyle a person chooses.
True False
3. Fixed expenses are more important than variable expenses when tracking the amount of money you spend.
True False
4. Accurate recording of expenses helps people plan for their needs and wants.
True False
5. People with very high incomes don't need a budget.
True False
6. A budget should include your personal income and expenses.
True False
7. If you buy term deposits, savings bonds or treasury bills, you can earn higher returns than on a savings account, with little or no added risk.
True False
8. If you save 10% of your income from the time you first start working, you'll most likely be able to retire with plenty of money.
True False
9. There are no real differences in the services offered by different financial institutions.
True False
10. Financial institutions don't charge service fees on basic banking services.
True False
11. Paying your credit card bill late can make it more difficult to take out a loan.
True False

WHAT DO YOU KNOW ABOUT FINANCES? (cont'd)

12. Using extra money in a bank savings account to pay off credit card debt is a good idea.

True False

13. Buying insurance is a way of protecting yourself from risk.

True False

14. You must purchase minimum auto insurance, but you can also buy more if you want more protection.

True False

15. Most investments pay a guaranteed rate of return.

True False

16. The riskiness of an investment may affect the rate of return.

True False

17. Information on the web about an investment is a good way to get tips about investing.

True False

18. A financial plan uses your income, expense and other financial records to provide a realistic roadmap for achieving your goals.

True False

19. A financial plan shows the steps you need to take to achieve your goals.

True False

20. Identity theft is rare and you don't have to worry about it.

True False

21. Learning to be skeptical about financial scams helps you learn about other kinds of scams.

True False