

Financial Literacy Test Review

Open the Power Point on my calendar to answer the following questions. This will help you study for the test.

Decision Making

1. List the 5 steps in the Decision Making Process

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2. What six factors can influence a decision?

3. How can creating a T-chart help you make decisions?

4. List 4 ways peer pressure can make you purchase a product.

5. List 5 ways your emotions can influence you to buy a product.

6. How do stores entice you to buy certain items?

Financial Planning

1. Financial planning is a _____ that helps achieve goals

2. What are the 5 components of a Financial Plan?

3. What are two benefits of having a Financial Plan?

4. List the six steps in creating a Financial Plan?

Values, Wants and Needs

1. How do our values affect our spending habits?
2. What are values?
3. What is Scarcity? Why do we have to make choices?
4. What are needs? List a basic need.
5. What are wants?

Goal Setting

1. What is a goal? Write down a goal you have.
2. What does a SMART goal stand for?
3. How long is a short term goal? Long-term goal?
4. Write a short-term SMART goal? Write a long-term SMART goal?

Influences on Income

1. List three 4 different sources of income.
2. List 4 common employee benefits.
3. List two things that will affect your income.

Tax Forms & Instructions

1. What is Gross Income?

2. What is Net Income?

3. Gross Income-Deductions= _____

4. What are five types of taxes employers must deduct from your paycheck?

5. What are four voluntary payroll deductions?

6. What are taxes?

7. What does FICA stand for?

8. What benefits does Social Security provide for employees and their dependents?

9. What is Medicare?

10. List three things tax money is used for?

11. What is a W-4 used for?

12. What is an I-9 used for?

13. What does a W-2 show?

14. How is a 1040 EZ different from a 1040?

Career Impact on Income

1. What is Earning Power?
2. Generally speaking do people with higher education and skill earn more money?
3. What is an Entrepreneur?
4. What are three risks with Entrepreneurship? What are three rewards?

Spending Plans

1. What is a spending plan?
2. What are three benefits in having a spending plan?
3. What should you do before creating a spending plan?
4. List the six steps in creating a spending plan.

Checking Accounts & Debit Cards

1. List three ways you can access money in a checking account.
2. Why would you use a checking account?
3. What is a check?
4. What does it mean when you bounce a check?
5. What is a checking account register?

6. What does ATM stand for?
7. What is a Debit Card? What is a PIN?
8. What are the pros of Debit cards?
9. What are the cons of Debit Cards?

Banking Services & Credit

1. List 4 different financial institutions.
2. List 3 services they provide.
3. What is Direct Deposit?
4. What is a Point of Sale Transaction?
5. What is Cyberbanking?
6. What is a Credit Rating?
7. Describe the "Three C's of Credit".
8. What information is found on a Credit Report?
9. What is a Credit Score?
10. What 5 things determine your credit score?

Benefits of Credit

1. Why is credit convenient?
2. List three ways to maintain positive credit.
3. What are the three Credit Reporting Agencies?
4. What 5 examples of “good debt”?
5. Can your employer look at your credit?
6. List 3 accounts that build your credit.
7. List 3 accounts that don’t build your credit.
8. How does a high credit score affect you?
9. How does a low credit score affect you?
10. How can you build credit if you have never had it?

Bankruptcy

1. What is Bankruptcy?
2. What are three reasons you might file for bankruptcy?
3. What is Debt?

4. What is Inflation?
5. What is Chapter 7 Bankruptcy?
6. What is Chapter 13 Bankruptcy?
7. What are two alternative to Bankruptcy?
8. How does filling bankruptcy affect you?

Savings & Investing

1. What is the difference between savings and investing?
2. What is Risk?
3. What is Return?
4. What is Liquidity?
5. Does a Savings account have a high risk?
6. Will investments give you a high return?
7. What is the Time Value of Money mean?
8. What is Future Value?

Types of Investments

1. What are 6 types of investments?

2. What is a stock?
3. What is the Dow Jones Average?
4. What is the Standard and Poor's 500 Composite Index
5. What is a "Bull" market?
6. What is a "Bear" market?
7. What does a Broker do?
8. What does NYSE stand for? List two facts about the NYSE.
9. List two facts about the American Stock Exchange.
10. What does NASDAQ stand for? List two facts about NASDAQ.
11. What is a Bond?
12. What is a Mutual Fund?
13. What is Real Estate?
14. What is a Certificate of Deposit?
15. List two examples of Collectibles?

Identity Theft and Consumer Protection

1. What are 4 consumer rights?
2. What are 4 consumer responsibilities?
3. Who could you contact about some rotten food that you bought at the store?
4. Who protects savers?
5. What is Fraud?
6. What is Identity Theft?
7. List four ways you can avoid identity theft?

Insurance & Risk Management

1. What is Risk Management?
2. What is insurance?
3. What is an insurance premium?
4. How often do you pay an insurance premium?
5. What is a deductible?
6. What are 5 different types of insurance?
7. What does Auto Insurance cover?

8. What does Health Insurance cover?

9. What is Property Insurance?

10. What is Life Insurance?

11. What is Estate Planning?

12. What is a Will?

13. What is Power of Attorney?

14. What is a Trust?

Retirement Planning

1. What are five sources of retirement income?

2. Whose responsible for retirement planning?

3. What is compound interest?

4. What is the Rule of 72?