

## Chapters 7 & 8 Review Questions

1. What are your primary options for housing?
2. What are the advantages of renting? What are the disadvantages?
3. What are the advantages of buying? What are the disadvantages?
4. What affects the cost of a rental unit?
5. What affects the cost of buying a home?
6. What is an escrow account? What is PMI? How do most homeowners pay for a home?
7. What are the two types of mortgages? Which type is recommended?
8. How can you save money for the long term?
9. What are the 5 components of risk? Give an example of each.
10. What are the major types of investments? What are some advantages and disadvantages of each type?
11. How can you reduce your risk of investing?