

## PF - Exam Review

### True/False

*Indicate whether the statement is true or false.*

- 1. Values are the beliefs and principles you consider important, correct and desirable.
- 2. A new car is an example of a need.
- 3. Saving money for the holidays is an example of a long-term goal.
- 4. The main cause of inflation is an increase in demand without an increase in supply.
- 5. The time value of money is the amount your original deposit will be worth in the future, based on earning a specified interest rate over a set period of time.
- 6. You can buy and touch intangible items.
- 7. Supply and demand are examples of market forces.
- 8. Interest rates provide an indicator of how well people are living.
- 9. A series of equal, regular deposits is called an annuity.
- 10. The Federal Reserve System is the central banking system of the United States.
- 11. Standard of living is based on the amount of goods and services a person can buy.
- 12. As interest rates rise, people are more likely to buy houses.
- 13. A position where a person receives training by working with people who are experienced in a particular field is called volunteer work.
- 14. You must fill out a W-4 form for an employer to determine tax withholding.
- 15. If you apply for a job at the library you will first be required to attend an informational interview.
- 16. The amount of education you have may affect your starting salary.
- 17. A mentor is someone new to the job.
- 18. An auto mechanic is employed in a service industry.
- 19. Big cities are less expensive to live in because there are more apartments available.
- 20. A good place to learn about a career in a specific field is a professional organization.
- 21. The title to your car is an example of a personal financial document.
- 22. Real estate is an example of a liquid asset.
- 23. A telephone bill is a liability.
- 24. Insolvency happens when the total of your liabilities is greater than your assets.
- 25. Take-home pay is equal to your salary.
- 26. The total of your fixed and variable expenses is your cash flow.
- 27. A measure of the changes in prices for commercially purchased goods and services is called the consumer price index.

- \_\_\_ 28. You should include bonuses you might get at work when you estimate your income.
- \_\_\_ 29. A deficit is when more money is spent than is earned or received.
- \_\_\_ 30. A home fire safe-box is a good way to protect an important document from theft.
- \_\_\_ 31. A down payment must be paid at the time of purchase.
- \_\_\_ 32. When you compare brands, you should consider price and advertising.
- \_\_\_ 33. Open dating indicates the freshness of milk.
- \_\_\_ 34. A rebate is a partial refund of the price of a product.
- \_\_\_ 35. An implied warranty is a written guarantee that covers certain aspects of a product.
- \_\_\_ 36. A service contract is an extended warranty.
- \_\_\_ 37. Fraud is a dishonest business practice meant to gain an unfair advantage.
- \_\_\_ 38. Mediation is legally binding.
- \_\_\_ 39. A network of community law offices that provide free or low-cost legal assistance is a legal aid society.
- \_\_\_ 40. To obtain a rebate, you must present a coupon to the cashier.
- \_\_\_ 41. Money in a checking account is called a demand deposit.
- \_\_\_ 42. A prepaid phone card is an example of a debit card.
- \_\_\_ 43. A savings & loan is a financial institution that is owned by its members.
- \_\_\_ 44. A finance company specializes in savings accounts and mortgage loans.
- \_\_\_ 45. Interest you earn on a certificate of deposit is exempt from state and local taxes.
- \_\_\_ 46. A stop-payment order is a request that a bank or other financial institution not to cash a particular check.
- \_\_\_ 47. You can write checks from a money-market account.
- \_\_\_ 48. According to the Truth in Savings Law, financial institutions have to guarantee you a minimum interest rate on your deposits.
- \_\_\_ 49. Overdraft protection is an automatic loan made to an account if the balance will not cover the checks written.
- \_\_\_ 50. A restrictive endorsement allows you to transfer a check to an organization or another person.
- \_\_\_ 51. A mortgage is an example of a closed-end credit.
- \_\_\_ 52. A loan from a family member is an example of an expensive loan.
- \_\_\_ 53. A borrower is a credit cardholder who does not pay off his or her balance in full each month.
- \_\_\_ 54. An American Express card is a credit card.
- \_\_\_ 55. A secured loan is one guaranteed to be repaid through safe collateral.
- \_\_\_ 56. Inflation increases the buying power of money.
- \_\_\_ 57. Equifax is a credit bureau.
- \_\_\_ 58. When you cosign a loan for a friend, you may be responsible to make loan payments if the other person fails to.
- \_\_\_ 59. If you file for Chapter 7 Bankruptcy, you will have to sell most of your assets.

- \_\_\_ 60. You are responsible to provide proof that disputed information on your credit report is inaccurate.
- \_\_\_ 61. A disadvantage of owning a condominium is that it may be hard to sell.
- \_\_\_ 62. Tax benefits are an advantage of renting a house.
- \_\_\_ 63. A legal document that describes the conditions of a rental agreement is called a lease.
- \_\_\_ 64. A security deposit is money you pay the landlord for a security system.
- \_\_\_ 65. Equity is the value of a home less the amount still owed on the loan.
- \_\_\_ 66. A condominium is a living arrangement where members of the organization do not actually own the property.
- \_\_\_ 67. A buyer pays a real estate agent a commission.
- \_\_\_ 68. Private Mortgage Insurance (PMI) is a special policy that protects the lender in case the buyer cannot make payments.
- \_\_\_ 69. Most adjustable rate loans have a rate cap.
- \_\_\_ 70. Title insurance protects the buyer if problems are found with a property's taxes.
- \_\_\_ 71. A speculative investment is one that might earn a large profit in a short period of time.
- \_\_\_ 72. Inflation is a general rise in prices that affects everybody.
- \_\_\_ 73. Retained earnings are profits a company reinvests for expansion or research and development.
- \_\_\_ 74. Corporate stock is a unit of ownership in a company.
- \_\_\_ 75. A mutual fund is an investment where investors pool their money to buy stocks, bonds, and other securities.
- \_\_\_ 76. Fee-offset planners earn all of their money through the commission they make.
- \_\_\_ 77. Tax-exempt income is taxed at a later date.
- \_\_\_ 78. Income from rental income cannot be taxed.
- \_\_\_ 79. A prospectus discloses information about a company's earnings, assets, and liabilities.
- \_\_\_ 80. A capital loss is the sale of an investment for less than its purchase price.

### Multiple Choice

*Identify the choice that best completes the statement or answers the question.*

- \_\_\_ 81. The ways in which people make, distribute, and use their goods and services is called the \_\_\_\_\_.
  - a. opportunity cost
  - b. short-term goals
  - c. economy
  - d. wealth-watch
- \_\_\_ 82. Earning interest on previously earned interest is called \_\_\_\_\_.
  - a. compounding
  - b. economics
  - c. doubling down
  - d. inflation
- \_\_\_ 83. Financial plans that are more than five years off are called \_\_\_\_\_.
  - a. opportunity plans
  - b. long-term goals
  - c. intermediate goals
  - d. attainable goals
- \_\_\_ 84. The trade-off made by making one choice instead of another is commonly referred to as a(n) \_\_\_\_\_.
  - a. trade decision
  - b. personal preference
  - c. economic choice
  - d. opportunity cost

- \_\_\_ 85. Saving for vacation next summer or paying off small debts by the end of the year are examples of \_\_\_\_.
- a. opportunity planning
  - b. short-term goals
  - c. long-term goals
  - d. opportunity results
- \_\_\_ 86. Spending, saving, and investing to have the kind of life you want and financial security can be achieved by \_\_\_\_.
- a. personal financial planning
  - b. paying interest
  - c. discussing your financial situation with a friend
  - d. regulating inflation
- \_\_\_ 87. The amount of goods and services available for sale is called \_\_\_\_.
- a. demand
  - b. reserve
  - c. supply
  - d. economy
- \_\_\_ 88. The central banking organization of the United States is called the \_\_\_\_.
- a. Bank of America
  - b. United States Reserve Bank
  - c. Federal Bank Reserve
  - d. Federal Reserve System
- \_\_\_ 89. Hairstyling and bookkeeping are examples of \_\_\_\_.
- a. present value
  - b. future value
  - c. goods
  - d. services
- \_\_\_ 90. A series of equal regular deposits is called \_\_\_\_.
- a. serial deposits
  - b. an annuity
  - c. a personal financial plan
  - d. a paycheck
- \_\_\_ 91. Someone who enjoys nature and the outdoors may have an aptitude for a career in \_\_\_\_.
- a. forestry management
  - b. clothes design
  - c. teaching English
  - d. engineering
- \_\_\_ 92. A demographic trend that has boosted careers in health, physical fitness, and recreational products is more \_\_\_\_.
- a. working parents
  - b. leisure time
  - c. elderly people
  - d. ongoing job training
- \_\_\_ 93. In recent years, some of the fastest growing job markets have been in \_\_\_\_.
- a. New York
  - b. California
  - c. Illinois
  - d. Arizona
- \_\_\_ 94. High interest rates are likely to reduce employment opportunities in \_\_\_\_.
- a. food services
  - b. construction
  - c. teaching
  - d. health care
- \_\_\_ 95. A position in which a person receives training by working with people who are experienced in a particular field is called \_\_\_\_.
- a. an internship
  - b. a part-time job
  - c. classroom assignment
  - d. an after-school activity
- \_\_\_ 96. A cover letter gives a potential employer \_\_\_\_.
- a. a summary of your qualifications
  - b. a year-by-year outline of your experience
  - c. the highlights of your skills and abilities
  - d. the reason you want a particular job
- \_\_\_ 97. Good places to look for job listings include all the following EXCEPT \_\_\_\_.
- a. the *Occupational Outlook Handbook*
  - b. newspapers
  - c. the Internet
  - d. job fairs

- \_\_\_ 98. A pension plan is a \_\_\_\_.
- a. plan for maternity leave
  - b. plan for increases in pay
  - c. retirement plan funded in part by employers
  - d. free life insurance policy
- \_\_\_ 99. An example of a tax-exempt benefit is \_\_\_\_.
- a. vacation time
  - b. free life insurance
  - c. a 401(k) plan
  - d. a flexible work schedule
- \_\_\_ 100. By law an employer must pay for a portion of \_\_\_\_.
- a. child care
  - b. Social Security
  - c. fitness programs
  - d. legal assistance
- \_\_\_ 101. A disadvantage of using a safe-deposit box for keeping financial documents is that it \_\_\_\_.
- a. fails to protect documents from fire
  - b. takes up too much space in your home
  - c. can cost \$100 a year to rent
  - d. cannot store canceled checks
- \_\_\_ 102. An example of a liquid asset is a \_\_\_\_.
- a. savings account
  - b. bond
  - c. retirement account
  - d. house
- \_\_\_ 103. An example of a current liability is \_\_\_\_.
- a. a car loan
  - b. taxes
  - c. a mortgage
  - d. a student loan
- \_\_\_ 104. A cash flow statement gives you important feedback on your \_\_\_\_.
- a. assets and liabilities
  - b. short-term and long-term debts
  - c. income and spending patterns
  - d. net pay and gross pay
- \_\_\_ 105. One use of discretionary funds is spending on \_\_\_\_.
- a. groceries
  - b. transportation
  - c. videos
  - d. medication
- \_\_\_ 106. An example of a variable expense is \_\_\_\_.
- a. cable television charges
  - b. bus fare to school or work
  - c. insurance premiums
  - d. electric bills
- \_\_\_ 107. Your net worth goes up when you \_\_\_\_.
- a. spend more than you earn
  - b. pay off previous debts
  - c. borrow money to pay a deficit
  - d. withdraw money from your savings
- \_\_\_ 108. The first step in planning a budget is \_\_\_\_.
- a. estimating income
  - b. setting financial goals
  - c. listing fixed expenses
  - d. budgeting for savings
- \_\_\_ 109. A good budget has all the following characteristics EXCEPT \_\_\_\_.
- a. inaccessibility
  - b. flexibility
  - c. practicality
  - d. careful planning
- \_\_\_ 110. A savings option many employers offer is \_\_\_\_.
- a. paying interest on employees' savings
  - b. sending employees' children through college
  - c. writing a check for employees' savings accounts
  - d. putting paycheck deductions in employees' retirement funds

- \_\_\_ 111. The lowest price is generally the wisest choice when \_\_\_\_.
- a. you can afford to buy any of the options
  - b. quantity and quality are basically the same
  - c. you cannot afford to buy the best quality
  - d. prices and quality differ
- \_\_\_ 112. Products often purchased using price negotiation are \_\_\_\_.
- a. shampoos
  - b. swimsuits
  - c. CD players
  - d. automobiles
- \_\_\_ 113. A drawback of paying on credit is having \_\_\_\_.
- a. additional fees
  - b. more interest on savings
  - c. extra money for emergencies
  - d. delivery charges
- \_\_\_ 114. A good time to find a bargain on a swimsuit is at a(n) \_\_\_\_.
- a. after-holiday sale
  - b. "white" sale
  - c. "back-to-school" sale
  - d. mid-season sale
- \_\_\_ 115. An advantage of a cooperative is that it \_\_\_\_.
- a. has a limited number of products
  - b. saves its members money
  - c. offers few customer services
  - d. sells only to its members
- \_\_\_ 116. An advantage of direct selling is \_\_\_\_.
- a. prompt delivery
  - b. easy return policies
  - c. convenience
  - d. swift refunds
- \_\_\_ 117. When shopping, avoid \_\_\_\_.
- a. making a list
  - b. store-brand products
  - c. comparing prices
  - d. impulse buying
- \_\_\_ 118. Better Business Bureaus handle \_\_\_\_.
- a. class-action lawsuits
  - b. complaints against local merchants
  - c. potentially unsafe products
  - d. standards for chemicals, cosmetics, and medical devices
- \_\_\_ 119. The court system set up by every state to settle minor disagreements is called \_\_\_\_.
- a. the Supreme Court
  - b. the Consumer Safety Commission
  - c. small claims court
  - d. night court
- \_\_\_ 120. Disagreements in small claims courts are usually settled by \_\_\_\_.
- a. judges
  - b. juries
  - c. mediation
  - d. arbitration
- \_\_\_ 121. Which of the following financial services is best suited for saving money over a period of years?
- a. certificate of deposit
  - b. checking account
  - c. demand deposit
  - d. mortgage loan
- \_\_\_ 122. Credit cards allow you to \_\_\_\_.
- a. spend only the amount in your account
  - b. borrow money for a short term
  - c. protect your checks from thieves
  - d. transfer money between accounts on-line
- \_\_\_ 123. You will earn a higher interest rate when you \_\_\_\_.
- a. buy a certificate of deposit
  - b. use an ATM
  - c. open a savings account
  - d. recharge a stored-value card

- \_\_\_ 124. The Federal Deposit Insurance Corporation insures depositors against losing their money in the case of a \_\_\_\_.
- a. lost debit card
  - b. stolen paycheck
  - c. bank failure
  - d. death in the family
- \_\_\_ 125. Compared with commercial banks, credit unions generally offer \_\_\_\_.
- a. higher interest rates on loans
  - b. fewer financial services
  - c. higher interest on savings
  - d. lower fees and loan rates
- \_\_\_ 126. To earn high interest rates on a certificate of deposit, you must accept all the following limitations EXCEPT \_\_\_\_.
- a. leaving money in for the term of the deposit
  - b. paying a penalty when money is withdrawn early
  - c. completing a monthly bank reconciliation
  - d. depositing a minimum amount
- \_\_\_ 127. In which kind of savings plan does the interest rate vary from month to month?
- a. regular savings
  - b. certificate of deposit
  - c. money market
  - d. U.S. Savings Bonds
- \_\_\_ 128. If you deposit \$100 in an account with an annual interest rate of 6 percent compounded monthly, after 12 months you will have \_\_\_\_.
- a. \$6
  - b. \$6.18
  - c. \$106
  - d. \$106.18
- \_\_\_ 129. When writing a check, include all of the following EXCEPT \_\_\_\_.
- a. the current date
  - b. the name of the payee
  - c. your signature on the front
  - d. an endorsement on the back
- \_\_\_ 130. The first step in balancing a checkbook is \_\_\_\_.
- a. subtracting fees on the bank statement from the checkbook balance
  - b. comparing checks in the check record with those on the statement
  - c. adding interest earned to the checkbook balance
  - d. adding recent deposits to the bank statement balance
- \_\_\_ 131. An example of open-end credit is a(n) \_\_\_\_.
- a. mortgage
  - b. automobile loan
  - c. installment loan
  - d. a credit card charge
- \_\_\_ 132. The interest is tax deductible on a \_\_\_\_.
- a. bank loan
  - b. credit union loan
  - c. home equity loan
  - d. credit card loan
- \_\_\_ 133. Credit card holders are known as convenience users when they \_\_\_\_.
- a. pay off their balances each month
  - b. carry balances beyond the grace period
  - c. pay finance charges
  - d. carry smart cards
- \_\_\_ 134. The total dollar amount you pay to use credit is the \_\_\_\_.
- a. debt payment-to-income ratio
  - b. finance charge
  - c. annual percentage rate
  - d. term of the loan
- \_\_\_ 135. A higher interest rate is usually the trade-off for a \_\_\_\_.
- a. long-term loan
  - b. secured loan
  - c. short-term loan
  - d. simple interest loan
- \_\_\_ 136. Which of the “five C’s of credit” require that a person’s assets exceed his or her liabilities?
- a. character
  - b. capacity
  - c. capital
  - d. collateral

- \_\_\_ 137. A credit bureau is required to follow reasonable procedures to make sure that \_\_\_\_.
- creditors extend credit to retirees
  - eligible borrowers on public assistance receive credit
  - banks avoid the practice of redlining
  - the information in a person's file is correct
- \_\_\_ 138. How should a cardholder begin to correct a mistake on a credit card bill?
- Stop payment on the creditor's check.
  - Shred papers that contain personal information.
  - Notify the creditor in writing.
  - Get a new personal identification number.
- \_\_\_ 139. The Consumer Credit Counseling Service offers to \_\_\_\_.
- erase legitimate debts that consumers owe
  - supervise debt repayment plans
  - grant money for repaying debts
  - help debtors declare bankruptcy
- \_\_\_ 140. In a Chapter 13 bankruptcy, the debtor usually gets to \_\_\_\_.
- keep most of his or her property
  - discontinue alimony payments
  - avoid paying debts arising from fraud
  - stop payments on educational loans
- \_\_\_ 141. Renting is often a wise choice for someone who wants \_\_\_\_.
- pets
  - stability
  - privacy
  - mobility
- \_\_\_ 142. A disadvantage of renting is \_\_\_\_.
- more responsibilities
  - high initial costs
  - restricted activities
  - eligibility for tax deductions
- \_\_\_ 143. Your biggest monthly expense as a tenant is the \_\_\_\_.
- rent
  - security deposit
  - utilities
  - renter's insurance
- \_\_\_ 144. An example of an attached home is a \_\_\_\_.
- one-story ranch
  - townhouse
  - prefabricated house
  - mobile home
- \_\_\_ 145. A home inspector is responsible for \_\_\_\_.
- negotiating a house's purchase price
  - recommending lawyers and real estate agents
  - evaluating the house and the land
  - arranging financing for the purchase
- \_\_\_ 146. The listing price is the amount that the \_\_\_\_.
- owner asks for the house
  - buyer offers for the house
  - buyer accepts for the house
  - buyer borrows to finance the house
- \_\_\_ 147. A bank pays the full amount of a mortgage to \_\_\_\_.
- the buyer
  - a savings and loan
  - the seller
  - an escrow account
- \_\_\_ 148. What might a buyer do to get a low interest rate?
- buy mortgage insurance
  - pay points
  - pay an application fee
  - amortize
- \_\_\_ 149. Many government-guaranteed loans offer lower interest rates because they are \_\_\_\_.
- available to moderate-income buyers
  - given to eligible veterans of the armed services
  - accompanied by extra insurance fees
  - repaid by the government if the borrower defaults



- \_\_\_ 150. A lender may ask a buyer to deposit money in an escrow account for paying \_\_\_\_.
- a. property taxes
  - b. closing costs
  - c. loan interest
  - d. the principal
- \_\_\_ 151. Which risk component is most likely at fault when an investor's stock becomes worthless?
- a. inflation
  - b. interest rates
  - c. business failure
  - d. financial markets
- \_\_\_ 152. Of the following investments, the one with the most predictable income is \_\_\_\_.
- a. gold
  - b. commodities
  - c. real estate
  - d. U.S. Savings Bonds
- \_\_\_ 153. "Growth" companies typically reinvest their profits rather than \_\_\_\_.
- a. pay dividends
  - b. expand operations
  - c. conduct research
  - d. increase their stock's value
- \_\_\_ 154. A corporation gets its equity capital from its \_\_\_\_.
- a. sole proprietor
  - b. partners
  - c. stockholders
  - d. professional managers
- \_\_\_ 155. Factors that affect financial markets are \_\_\_\_.
- a. interest rates and GDP
  - b. the Federal Reserve and taxes
  - c. the unemployment rate and inflation
  - d. political and social conditions
- \_\_\_ 156. Which question should you ask when selling real estate?
- a. Is the property in good condition?
  - b. Can the buyer get the required financing?
  - c. Will the property decrease in value?
  - d. What is the condition of other properties in the area?
- \_\_\_ 157. Which is *not* a speculative investment?
- a. collectibles
  - b. bonds
  - c. commodities
  - d. options
- \_\_\_ 158. The largest financial advisers are monitored by the \_\_\_\_.
- a. Securities and Exchange Commission
  - b. Chartered Financial Consultants
  - c. Harvard Business Review
  - d. Survey of Current Business
- \_\_\_ 159. Short-term capital gains are \_\_\_\_.
- a. taxed as ordinary income
  - b. not taxed
  - c. tax-exempt
  - d. tax-deferred
- \_\_\_ 160. The purpose of the Dow Industrial Average is to \_\_\_\_.
- a. disclose a company's assets and liabilities
  - b. provide statistical averages
  - c. describe companies' management
  - d. improve investment skills

## Matching

*Match each term with the correct statement below.*

- |                        |                                |
|------------------------|--------------------------------|
| a. values              | f. personal financial planning |
| b. future value        | g. principal                   |
| c. liquidity           | h. economics                   |
| d. time value of money | i. inflation                   |
| e. demand              | j. present value               |

- \_\_\_ 161. the amount that your original deposit will be worth in the future based on a specific interest rate over a specific period of time
- \_\_\_ 162. amount of money you need to deposit now to attain a desired amount in the future
- \_\_\_ 163. amount of goods and services people are willing to buy
- \_\_\_ 164. general rise in the level of prices for goods and services over time
- \_\_\_ 165. increase in an amount of money as a result of interest or dividends earned
- \_\_\_ 166. beliefs and principles that a person considers important, correct, and desirable
- \_\_\_ 167. study of the decisions that go into making, distributing, and using goods and services
- \_\_\_ 168. amount of money deposited and on which interest is paid
- \_\_\_ 169. the way you spend, save, and invest your money to have the kind of life you want as well as financial security
- \_\_\_ 170. ability to easily convert financial resources into cash without loss of value

*Match each term with the correct statement below.*

- |                            |                                      |
|----------------------------|--------------------------------------|
| a. career                  | f. cooperative education             |
| b. standard of living      | g. networking                        |
| c. potential earning power | h. résumé                            |
| d. interest inventories    | i. cafeteria-style employee benefits |
| e. demographic trends      | j. pension plan                      |

- \_\_\_ 171. the amount of money you may earn over time
- \_\_\_ 172. a commitment to work in a field that you find interesting and fulfilling
- \_\_\_ 173. programs that allow students to enhance classroom learning with work related to their majors and interests
- \_\_\_ 174. a one- or two-page summary of your education, training, experience, and qualifications
- \_\_\_ 175. a retirement plan that is funded at least in part by an employer
- \_\_\_ 176. tests that help you identify the activities you enjoy the most and match your interests with various kinds of work
- \_\_\_ 177. a way of making and using contacts to get job information and advice
- \_\_\_ 178. ways in which groups of people change overtime
- \_\_\_ 179. benefits programs that allow workers to choose the benefits that best meet their personal needs
- \_\_\_ 180. a measure of the quality of life based on the amounts and kinds of goods and services a person can buy

*Match each term with the correct statement below.*

- |                                  |                         |
|----------------------------------|-------------------------|
| a. money management              | f. safe-deposit box     |
| b. personal financial statements | g. liabilities          |
| c. net worth                     | h. discretionary income |
| d. liquid assets                 | i. surplus              |
| e. market value                  | j. deficit              |

- \_\_\_ 181. the price at which a property could be sold
- \_\_\_ 182. documents that provide information about your current financial position and present a summary of your income and spending
- \_\_\_ 183. a small, secure storage compartment that can be rented in a bank
- \_\_\_ 184. a situation that occurs if a person spends more than he or she receives
- \_\_\_ 185. the debts that you owe
- \_\_\_ 186. the difference between the amount you own and the debts you owe
- \_\_\_ 187. the method of planning how to get the most from your money
- \_\_\_ 188. the money left over after essentials are paid for
- \_\_\_ 189. cash and items that can be quickly converted to cash
- \_\_\_ 190. extra money that can be spent or saved

*Match each term with the correct statement below.*

- |                 |                      |
|-----------------|----------------------|
| a. down payment | f. fraud             |
| b. cooperative  | g. mediation         |
| c. open dating  | h. arbitration       |
| d. unit pricing | i. class-action suit |
| e. rebate       | j. legal aid society |

- \_\_\_ 191. the use of a standard unit of measurement to compare the prices of packages that are different sizes
- \_\_\_ 192. a nonprofit organization owned and operated by its members for the purpose of saving money on the purchase of certain goods and services
- \_\_\_ 193. the attempt by a neutral third party to resolve a conflict between a customer and a business through discussion and negotiation
- \_\_\_ 194. the process in which a conflict between a customer and a business is resolved by an impartial third party whose decision is legally binding
- \_\_\_ 195. a method of indicating the freshness, "or shelf life," of a perishable product
- \_\_\_ 196. dishonest business practice that is meant to deceive, trick, or gain an unfair advantage
- \_\_\_ 197. a portion of the total cost of an item that must be paid at the time of purchase
- \_\_\_ 198. one of a network of community law offices that provide free or low-cost assistance in court
- \_\_\_ 199. a legal action on behalf of all the people who have suffered the same injustice
- \_\_\_ 200. a partial refund of the price of a product

*Match each term with the correct statement below.*

- |                              |                            |
|------------------------------|----------------------------|
| a. debit card                | f. money market account    |
| b. point-of-sale transaction | g. rate of return          |
| c. commercial bank           | h. compounding             |
| d. credit union              | i. annual percentage yield |
| e. certificate of deposit    | j. endorsement             |

- \_\_\_ 201. the use of a debit card to purchase an item or service at a retail store
- \_\_\_ 202. the process in which interest is earned on both the principal and any previously earned interest
- \_\_\_ 203. a nonprofit financial institution that is owned by its members and organized for their benefit
- \_\_\_ 204. a card issued by a financial institution that allows you to withdraw money from your account or pay for purchases by deducting funds directly from your account
- \_\_\_ 205. a savings account in which the interest rate varies as market rates change
- \_\_\_ 206. the amount of interest that a financial institution would pay on a \$100 deposit, after compounding, for one year
- \_\_\_ 207. a savings alternative in which money is left on deposit for a stated amount of time to earn a specific rate of return
- \_\_\_ 208. the percentage of increase in the value of savings from earned interest
- \_\_\_ 209. The signature of a payee on the back of a check
- \_\_\_ 210. a for-profit institution that offers a full range of financial services

*Match each term with the correct statement below.*

- |                           |                   |
|---------------------------|-------------------|
| a. creditor               | f. collateral     |
| b. annual percentage rate | g. up-front cash  |
| c. open-end credit        | h. credit rating  |
| d. grace period           | i. debt collector |
| e. net income             | j. bankruptcy     |

- \_\_\_ 211. a loan with a large down payment
- \_\_\_ 212. the cost of credit on a yearly basis, expressed as a percentage
- \_\_\_ 213. form of security to help guarantee that a creditor will be repaid
- \_\_\_ 214. the income a person receives
- \_\_\_ 215. the complete record of a person's borrowing
- \_\_\_ 216. an entity (bank, finance company, credit union, business, or individual) to which money is owed
- \_\_\_ 217. the ability to borrow money for a variety of goods and services up to a limit set by the company issuing the credit
- \_\_\_ 218. a last resort legal process in which some or all of the assets of a debtor are distributed among creditors because the debtor is unable to pay his or her debts
- \_\_\_ 219. business that collects debts for creditors
- \_\_\_ 220. a time period during which no finance charges are added to a credit card account

*Match each term with the correct statement below.*

- |                       |                                   |
|-----------------------|-----------------------------------|
| a. lifestyle          | f. amortization                   |
| b. sublet             | g. Federal Housing Administration |
| c. renter's insurance | h. home equity loan               |
| d. zoning laws        | i. closing                        |
| e. mortgage           | j. deed                           |

- \_\_\_ 221. a long-term loan extended to someone who buys property
- \_\_\_ 222. the meeting of the buyer, seller, and lender of funds, or the representatives of each party, to complete a real estate transaction
- \_\_\_ 223. a government organization that helps home buyers obtain low interest, low down-payment loans
- \_\_\_ 224. a loan based on the difference between the current market value of a home and the amount still owed on the mortgage
- \_\_\_ 225. a type of insurance that covers the loss of a tenant's property as a result of damage or theft
- \_\_\_ 226. the way that people choose to spend their time and money
- \_\_\_ 227. the official document transferring ownership of a home from seller to buyer
- \_\_\_ 228. the process of reducing the balance of a loan every time a payment is made
- \_\_\_ 229. have another person other than the original tenant take over a rental unit and payments for the remaining term of a lease
- \_\_\_ 230. regulations that limit how property in a given area can be used

*Match each term with the correct statement below.*

- |                         |                        |
|-------------------------|------------------------|
| a. retained earnings    | f. government bond     |
| b. investment liquidity | g. tax-exempt income   |
| c. dividend             | h. tax-deferred income |
| d. preferred stock      | i. capital gain        |
| e. corporate bond       | j. annual report       |

- \_\_\_ 231. distribution of money, stock, or other property that a corporation sometimes pays to a stockholder
- \_\_\_ 232. a company's written pledge to repay a specified amount of money, along with interest
- \_\_\_ 233. gives the owner the advantage of receiving cash dividends before common stockholders receive any
- \_\_\_ 234. the written pledge of a government or a municipality's to repay a specified amount of money with interest
- \_\_\_ 235. the ability to buy or sell an investment quickly without substantially affecting its value
- \_\_\_ 236. information that a publicly owned company sends to investors
- \_\_\_ 237. income that is taxed at a later date
- \_\_\_ 238. profit from the sale of assets such as stocks, bonds, or real estate
- \_\_\_ 239. income that is not taxed
- \_\_\_ 240. profits that are reinvested in the company