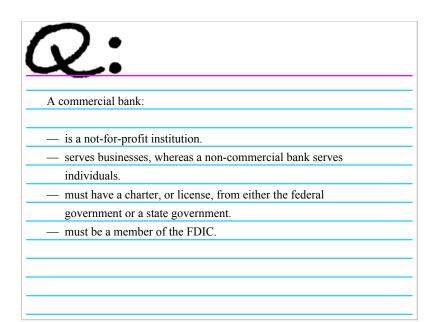
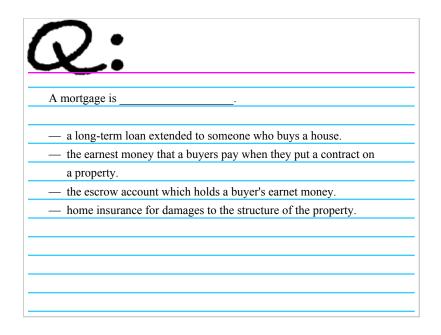


A:			
Discretionary			

S.	<b>)</b> :
Α	is a financial situation that occurs when more money is
spent t	han is earned or received.
— De	fault
— Ov	erdraft
— De	ficit
— Lia	ıbility

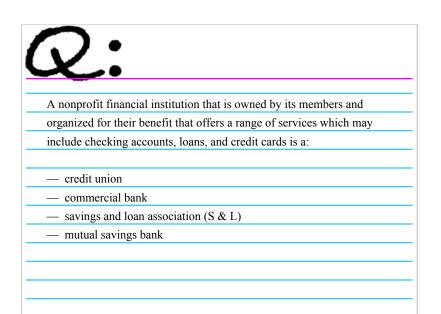
Λ	Λ.				
<b>/</b>	•				
Deficit					

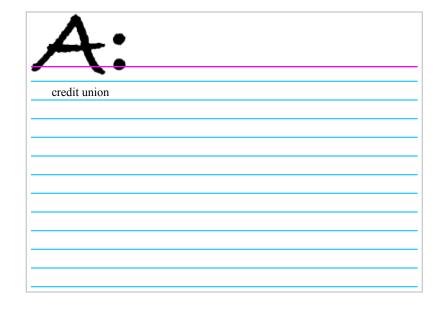


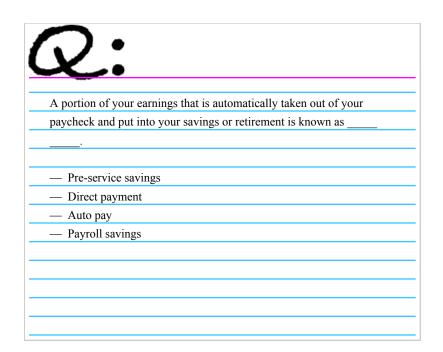


	<del>\•</del>	
must l	ave a charter, or license, from either the f	ederal government
or a st	ate government.	

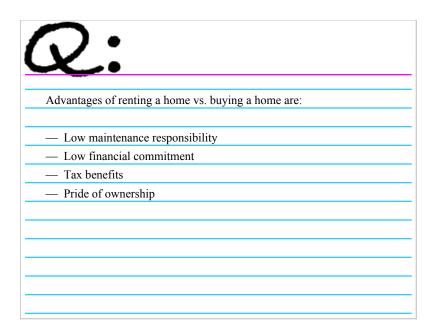
A:
a long-term loan extended to someone who buys a house.







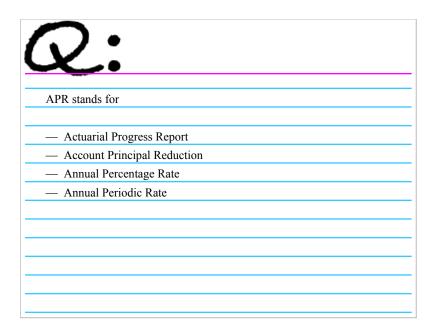
A		
<b>\( \lambda \)</b>		
Payroll savings		

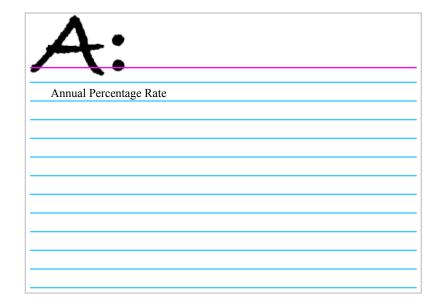


•			
Low maintenance	responsibility		
Low financial con	nmitment		

X:	
An automatic	deposit of net pay from an employer to an employee's
designated bar	ak account instead of issuing a paper check is referred
to as a	
— ATM	
<ul><li>Prepaid ca</li></ul>	rd
<ul><li>— Direct pay</li></ul>	
<ul> <li>Direct dep</li> </ul>	osit

$\Delta$ .				
Direct deposit				





<b>Q</b> :		
Assets minus liabilities equal		
— Earned income		
— Net worth		
<ul> <li>Deferred income</li> </ul>		
— Cash flow		

•			
$\boldsymbol{\Lambda}$	_		
finite	•		
	•		
Net worth			



At a real estate closing, buyers and sellers must pay closing costs which are fees and charges associated with the transaction. Closing costs may include:

- title search fee, title insurance, appraisal and recording fees
- seller's moving expenses
- credit report and lender's origination fee
- buyer's moving expenses

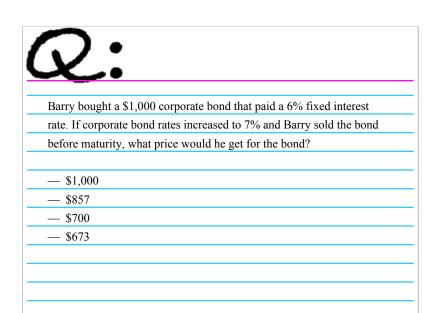


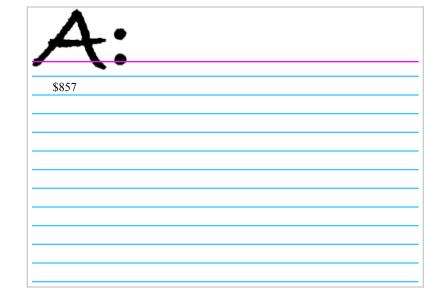
Banks and other financial institutions offer services in payment, savings and loans. Which of the following is an example of a savings service?

- Savings account
- Money market account
- Certificate of deposit
- Direct payment

itle search	fee, title insurance	annraisal and r	ecording fees
	t and lender's orig		ccording ices
	<del>u e</del> r b orre	,	

_			
A			
/\ _			
Carrings assaunt	4		
Savings account	i		
Money market a	ecount		
Certificate of de	eposit		
	1		



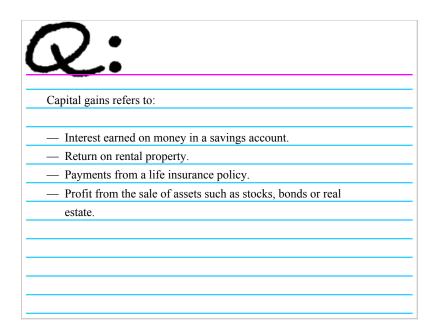




Benefits of using a credit card to make a purchase include:

- Having a record of purchases.
- Paying the price of the item plus interest if the credit card balance isn't paid in full.
- Purchasing now rather than waiting.
- Having the direct debit withdrawal from your checking account at the time of the purchase.

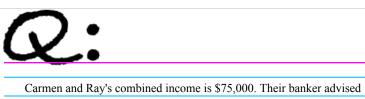
4:			
Having a record of p	urahagag		
Purchasing now rathe		ng.	
Turvinuonig no w rum	71 (11411 ((411)		



Δ	. •		
Profit fro	n the sale of assets such a	s stocks, bonds or real estate.	

$\mathbf{r}$	
<b>L.</b>	
Carla's monthly gross pay is \$5,000 and her monthly net pay	is
\$3,800. She saves \$400 per month. Calculate her savings rational statements of the savings rational statements are savings.	0.
— 76%	
— 131%	
— 10.50%	
— 8%	

A	- •			
8%				



Carmen and Ray's combined income is \$75,000. Their banker advised them that the most they should spend for a house is 2.5 times their income. Based on that advice, what's the maximum amount they should spend on a house?

- \$75,500
- \$150,000
- \$175,500
- \$187,500





Checking account services can include which of the following?

- ATM service
- Banking by telephone and/or online
- Overdraft protection
- Automatic checkbook balancing

ATM service		
	hone and/or online	
Overdraft protect	ion	



Compounding is the process in which interest is earned on both the principal--the original amount deposited--and on any accrued interest. Which of the following statements is true?

- After the first compounding, the compounded rate of return is less than the stated year's rate.
- The more frequently your balance is compounded, the greater your yield, or rate of return.
- Annual percentage yield (APY) is most likely lower than your stated annual rate of return on a compounded interest savings account.
- Annual percentage yield (APY) is useful in comparing savings
   plans that have different rates and compounding frequency.



Compounding is the process in which interest is earned on:

- Only the principal
- Only the original amount you deposited
- The principal and on any previously earned interest
- Only the previously earned interest

•	ently your balance is compounded, the greater your
rield, or rate of	return.
Annual percenta	age yield (APY) is useful in comparing savings plans
hat have differe	ent rates and compounding frequency.

A:
The principal and on any previously earned interest



Credit refers to borrowing money in order to purchase goods and services now and pay for them in the future. What are some disadvantages of using credit?

- Credit makes the cost of items more than the purchase price since it includes paying interest on the loan.
- Using credit tempts people to buy items for which they haven't saved enough to purchase.
- You risk getting a bad credit rating, or credit reputation, if you don't repay credit loans on time.
- Using credit may be safer than shopping and traveling with a lot of cash.



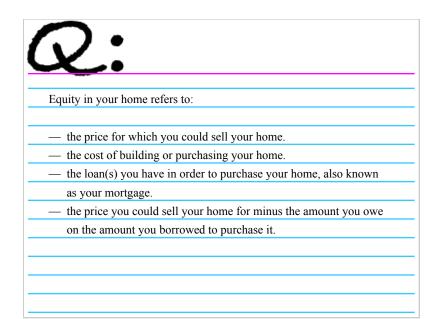
Denny bought 100 shares of High Tech, Inc., for \$50 a share, held the stock for a year, and sold it for a capital gain of \$5 per share.

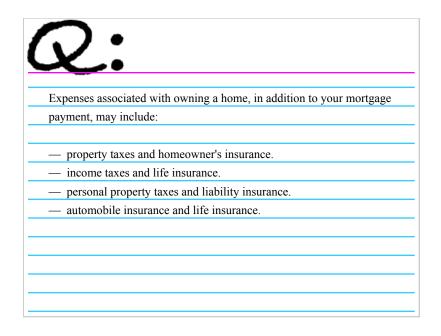
During that year, he received a dividend of \$1.25 per share. What was his total return per share?

- **—** \$51.25
- **—** \$36.25
- \$16.25
- **—** \$6.25

cludes paying interest on the loan. sing credit tempts people to buy items for which they haven't saved nough to purchase. ou risk getting a bad credit rating, or credit reputation, if you	Credit makes	the cost of items more than the purchase price since it
nough to purchase.  ou risk getting a bad credit rating, or credit reputation, if you	includes payii	ng interest on the loan.
ou risk getting a bad credit rating, or credit reputation, if you	Using credit t	empts people to buy items for which they haven't saved
	enough to pur	chase.
	You risk getti	ng a bad credit rating, or credit reputation, if you
on't repay credit loans on time.	don't repay cr	edit loans on time.

Λ			
4	. •		
•	. —		
\$6.25			





<b>A</b> .
<u>~</u>
<b>\</b> •
the price you could sell your home for minus the amount you owe on
the amount you borrowed to purchase it.

A:	
property taxes and homeowner's insurance.	



Financial goals can be defined in terms of the time it takes to achieve them. Which of these is an example of a short-term goal?

- Saving for retirement
- Saving for college
- Saving for a computer
- Saving for a new pair of jeans



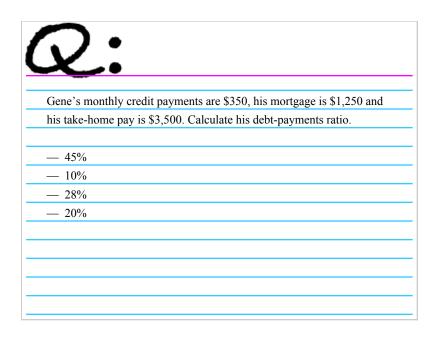
Four customers receive dealer financing to buy the same type of car at the same price. Each of the customers were granted the loan, but each at a different interest rate. Which customer likely received the highest interest rate?

- The recent college grad who just landed her first job
- The recent high school grad who just landed her first job.
- The 50 year old administrative assistant who has been an editor at the same company for 25 years
- The 65 year old retiree from a 40 year career with the Post Office

g for a new pair of jeans		

Δ	_	•
	_	•
•	•	_

The recent high school grad who just landed her first job.



4	. •			
100/	, •			
10%				

Homeowners have expenses associated with owning a home such as homeowners insurance, maintenance costs and  — FICA (social security contributions).  — property taxes.  — federal income taxes.  — rental insurance.	2:	
<ul> <li>FICA (social security contributions).</li> <li>property taxes.</li> <li>federal income taxes.</li> </ul>	Homeowners have expenses associated with owning a home such a	s
<ul><li>property taxes.</li><li>federal income taxes.</li></ul>	homeowners insurance, maintenance costs and	_
	•	_
— rental insurance.	federal income taxes.	
	— rental insurance.	
		_

Λ.		
<b>H</b> :		
property taxes.		



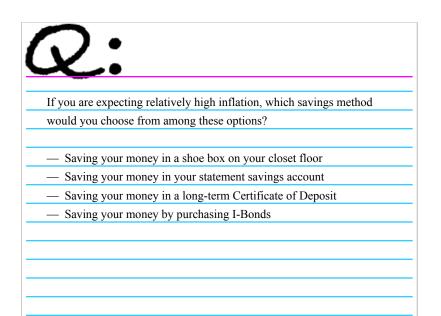
How can you obtain overdraft protection on your checking account?

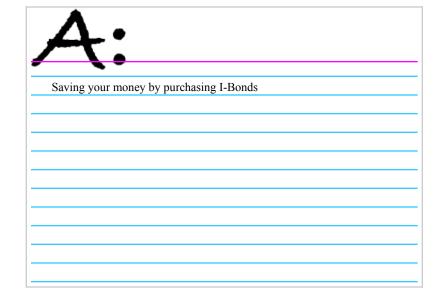
- Your financial institution may offer overdraft protection which is an automatic loan made to an account if the balance will not cover checks written.
- Your financial institution may offer an overdraft protection service that transfers money from your savings to your checking account.
- Your financial institution may offer a parental coverage (PC)
   plan in which money is withdrawn from your parents' account to cover an overdraft on your account.
- Your financial institution may put a hold on any overdrafts until your next paycheck is deposited.

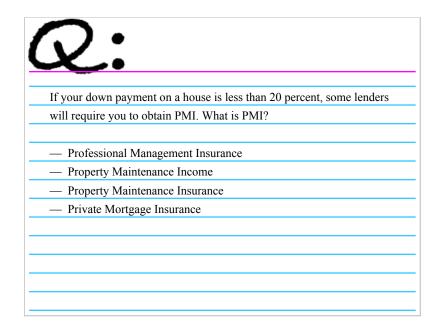
<u> </u>
How many districts make up the Federal Reserve System?
<u>          4                          </u>
<u> </u>
— 12
— 16

	·	er overdraft protection which is an
writter		t if the balance will not cover checks
		or on overduct protection comics
	·	er an overdraft protection service
tnat tra	nsters money from your sa	vings to your checking account.

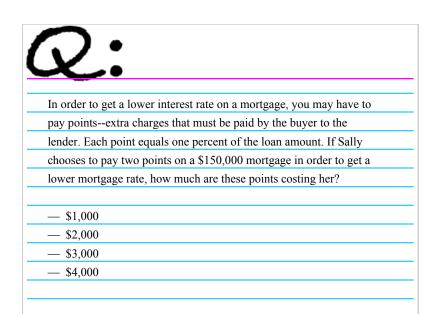
A	•		
12	•		







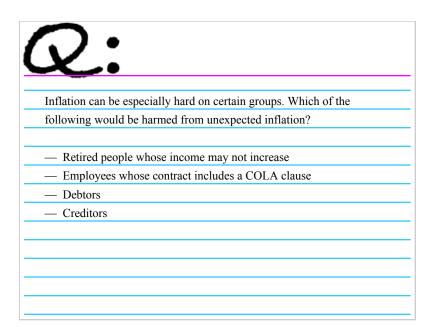
Λ.		
<b>/</b> †:		
Private Mortgage Insurance		



Δ	•		
	•		
\$3,000			

$\mathcal{Q}$ :
In regard to rental property, the person who rents the property is
known as the
— Landlord
<ul><li>— Investor</li><li>— Broker</li></ul>
— Tenant

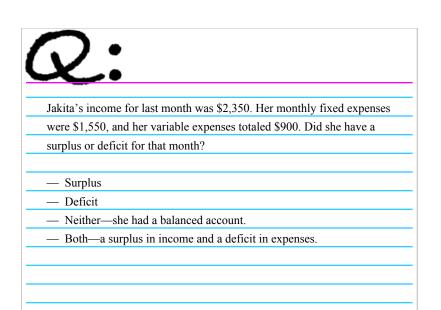
•			
$\boldsymbol{\Lambda}$	_		
	, <b>•</b>		
	_		
	. •		
Tenant			

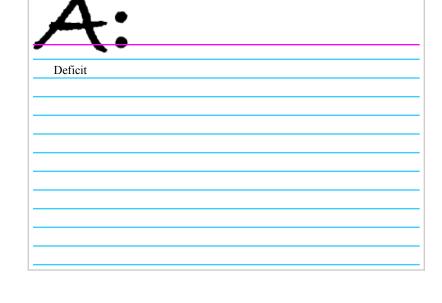


Λ	•			
<b>/</b>				
Retired p	eople whose in	ncome may no	t increase	
Creditors	S			

$\mathbf{\hat{D}}$ .	
X.	
Investment income generally falls into three categories:	
investment income generally rans into three categories.	
— Tax-exempt, tax-deferred and charitable.	
<ul> <li>Tax-exempt, tax-deferred and taxable.</li> </ul>	
— Tax-exempt, tax-related and taxable income.	

Δ	<b>+:</b>			
Tax-ex	empt, tax-d	eferred and	taxable.	



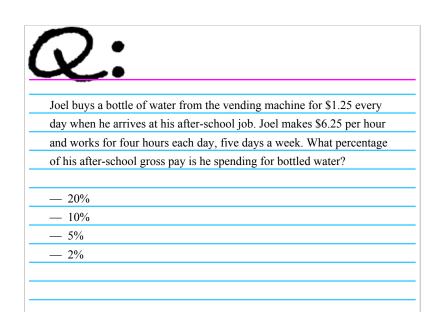




Jamiel's grandmother knew he was taking a personal finance class so she asked him for examples of safe places to invest her savings. Which of the following are considered to be relatively safe investments?

- Commodities and precious metals
- Government bonds and certificates of deposit (CDs)
- Stocks and corporate bonds
- Real estate

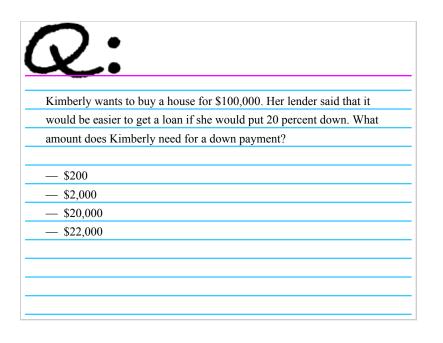
•					
$\boldsymbol{\Lambda}$					
4	_				
	<b>\</b>				
Govern	nment bonds	and certific	ates of depos	sit (CDs)	
			1	,	

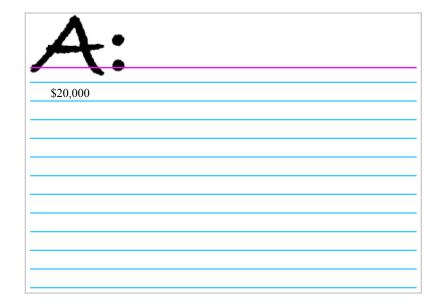


A	•		
5%			

	_	
, , ,	•	
Y		
	, •	
Joshua ha	d \$20,000 in liabilities and a net worth of \$40,000.	
Calculate	his debt ratio.	
— 0.5		
— 2		
— 4		
— 0.8		

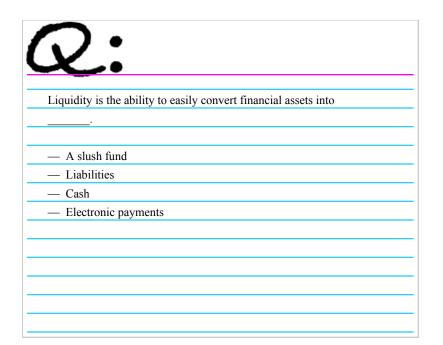
A:		
0.5		





$\odot$ ·	
と。	
Level of education and income earned are generally	
— Unrelated	
— Directly related	
— Indirectly related	
— Negotiable	

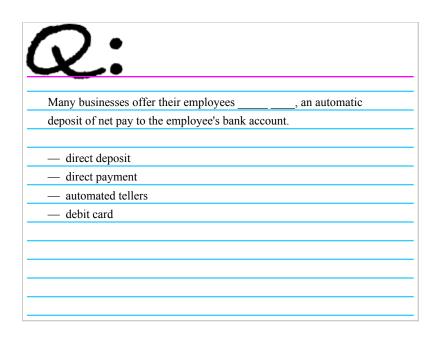
$\Lambda$ .			
•			
Directly related			



0.1	-		
Cash			

	<b>L</b> :
]	Lynn developed a budget that includes saving a total of \$5,000 by the
1	time she graduates from college. How can she best reach that goal and
	grow her savings?
	<ul> <li>Put the money in a jar and hide it in a kitchen cabinet.</li> </ul>
	<ul> <li>Keep the money in a non interest-bearing checking account.</li> </ul>
	— Put the money in an interest-bearing savings account.
	— Put the money in a bond.

4	Λ. •	
•	<b>-T</b> .	
Pι	t the money in an interest-bearing savings account.	
	t the money in a bond.	



A.			
direct deposit			

Marcela ov	vns a \$1,000 corporate bond that pays 5.5% interest
annually. I	f the current market value of her bond is \$1,100, then what
is the curre	nt yield of her bond investment?
— 5%	
— 5.5%	
— 10%	
— 15%	

Δ	. •			
5%	•			
3/0				



Maria was trying to decide between a fixed-rate mortgage and an adjustable-rate mortgage (ARM). She chose a fixed-rate mortgage. Which

reason below would be consistent with her choice?

- Maria wanted to know the exact amount of her mortgage payment for the next 30 years.
- Maria thought that in a few years interest rates would go down for an extended period of time.
- Maria wanted the lowest interest rate possible for the first few years of the loan since she was still in medical school and had a limited income for the next few years.
- Maria wanted a low interest rate since she was in the military and would likely be transferred in a few years.

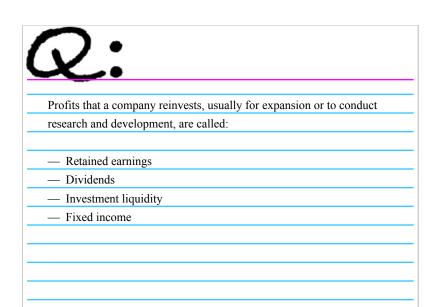


Most lenders' policies for extending credit are based on the "five Cs of credit." What are the five Cs of credit?

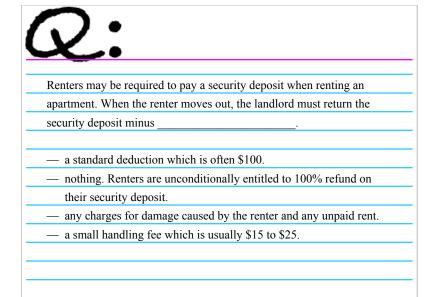
- Credit history, crime record, commitment, collateral and capacity
- Credit history, cost of credit, credit opportunity, collateral and commitment
- Credit history, character, capacity, capital and collateral
- Credit history, credit consumption, credit opportunity, credit file and credit report

1	<b>L</b> •	
	τ	
Mari the	a wanted to know the exact amount of her mortgage payment for	r
next	30 years.	

L	+:				
Cred	lit history, ch	aracter, capa	city, capital	and collateral	







<u> </u>	4:				
	any charges for da	mage caused b	y the renter a	nd any unpaid r	ent.



Robbie buys a bottle of water from the vending machine for \$1.25 and a candy bar for \$1.35 every day when he arrives at his after-school job. Robbie makes \$6.50 per hour and works for four hours each day. What percentage of his after-school gross pay is he spending for bottled water and candy?

	20	n/
_	20	17/0

**—** 10%

— 5%

— 2.60%



Rolando had a choice between paying points and getting a lower interest rate on his mortgage, or not paying points and getting a higher interest rate on his mortgage. What factor should he think about when making the decision of whether or not to pay the points?

- How much he likes the house
- How close the house is to where he works
- How close the house is to his parents' house
- How long he will live in the house

A	•			
How long he	will live in	the house		
Trow long ne	will live in	the nouse		



Sean was saving money to buy a car. He had \$4,000 in a savings account which earned 4% interest last year. The annual inflation rate was 3%. What was Sean's real (inflation-adjusted) rate of return on the savings?

**—** 7%

— 1%

**— -1%** 



Shannon got a 10 percent fixed-rate, thirty-year mortgage five years ago. Since then mortgage rates have fallen. What should Shannon ask before she makes the decision to refinance?

- Will my lender get his feelings hurt if I refinance?
- How many more years do I plan to keep this house?
- How much in extra fees will I pay in order to refinance?
- What is the difference between my current mortgage rate and a new rate?

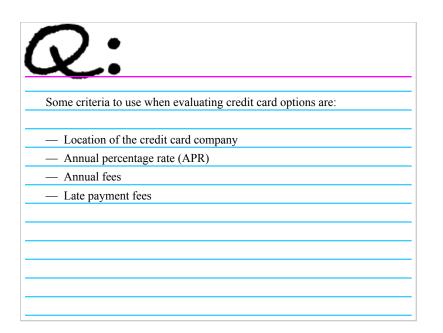
Д	-•			
1%	•			

Δ	•
	•
-	

How many more years do I plan to keep this house?

How much in extra fees will I pay in order to refinance?

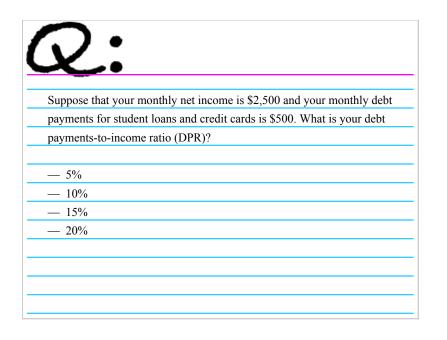
What is the difference between my current mortgage rate and a new rate?



$oldsymbol{\Lambda}ullet$		
<b>—</b> • • • • • • • • • • • • • • • • • • •		
Annual percentage rate (APR)		
Annual fees		
Late payment fees		

Suppose the	nat you earned \$2,200 gross monthly income and you were
_	onth. What would be your savings ratio if you saved
	tely \$60 from each paycheck?
— 2.70%	
— 36.60%	o o
<b>—</b> 5.40%	
<b>—</b> 18.30%	· ′o

A	, •			
5.40%	, •			



A	. •			
20%	. •			

~	<b>&gt;</b> •
	<b>C</b> •
Th	e 401(k) and 403(b) retirement plans offered by your employer or
pr	vately held by the employee are:
_	Tax-exempt
_	Tax-deferred
_	Taxable
_	Non-taxable

Λ.		
<b>产</b>		
Tax-deferred		



The amount of interest that a deposit would earn, after compounding, for one year is called:

- APR-Annual Percentage Rate
- APY-Annual Percentage Yield
- APC-Annual Percentage Compounded
- AIR-Annual Interest Rate



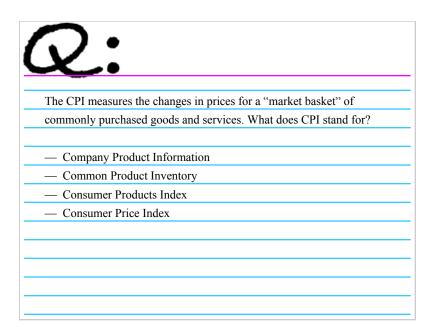
The Check Clearing for the 21st Century Act, or "Check 21", took effect October 28, 2004. What does this act allow?

- The act allows banks to hold customers' funds for 21 days before paying interest on those funds.
- The act allows banks to transmit electronic images of checks rather than paper checks through the check-clearing process.
- The act allows banks to close on ten bank holidays throughout the year.
- The act allows banks to pay interest on checking accounts if holders of the accounts keep a specified minimum balance.

A:		
APY-Annual Percentage Yield		

Δ	-	•
_		_

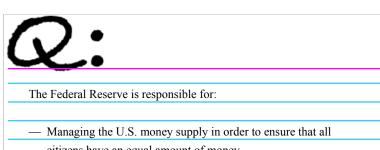
The act allows banks to transmit electronic images of checks rather than paper checks through the check-clearing process.



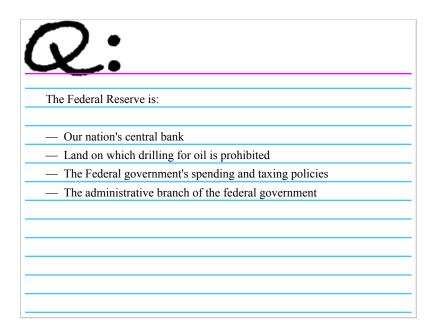
Λ.			
<b>/</b>			
C D:	T 1		
Consumer Price	Index		

The eco	nomic term used to describe what is given up when choosing
one	
alternati	ve instead of another is
— Free	lunch
— Altei	rnative decision
— Seco	nd best
— Орро	ortunity cost
	·

A:		
Opportunity cost		

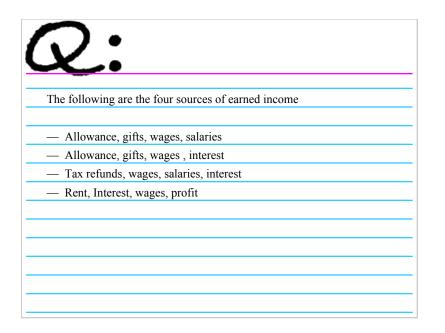


- citizens have an equal amount of money.
- Managing the U.S. money supply in order to ensure that the social security trust fund is fully funded.
- Managing the U.S. money supply in order to maintain the U.S. gold supply.
- Managing the U.S. money supply in order to maintain stable



<i>f</i>	<b>t:</b>		
Mana	ging the U.S. money	supply in order	to maintain stable prices.

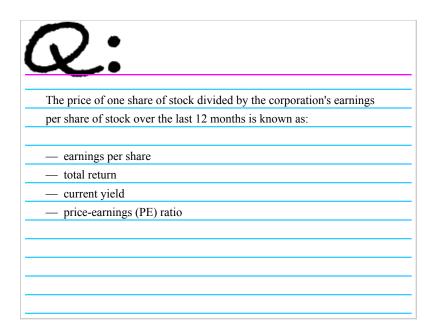
Λ.		
A:		
Our nation's central bank		



$\mathbf{A}$			
Rent, Interest, wages	, profit		

<b>火:</b>	
Γhe possibility that you m	ay lose your job due to unexpected health
problems, family problem	s, an accident or changes in your field of
work is referred to as	risk.
— Income	
— Emergency	
<ul><li>Employment</li></ul>	
— Money	

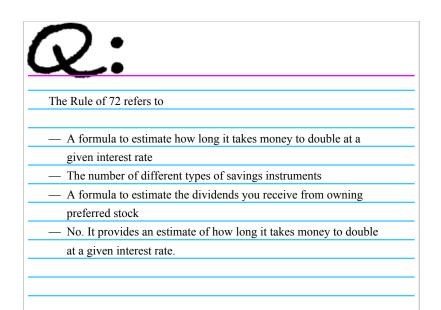
A	•		
Income	•		

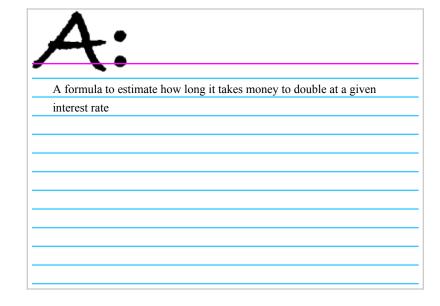


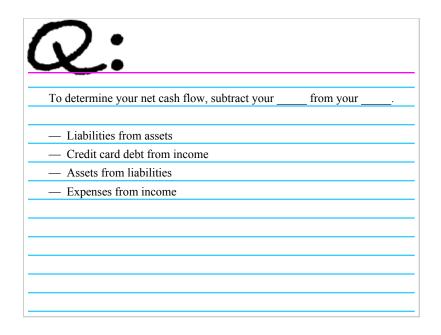
Λ.			
A+:			
<del>/                                    </del>			
price-earnings (PE)	ratio		

The risk that interes	st rates may go up or down which may affect the
cost of borrowing o	or the profits you earn when you save or invest is
referred to as	risk.
— Interest rate	
<ul> <li>Investment rate</li> </ul>	
— Return rate	
<ul> <li>Borrowing rate</li> </ul>	
<u> </u>	

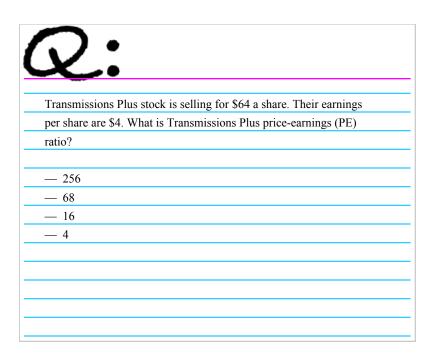
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/ <del>-</del>				
Interest rate				







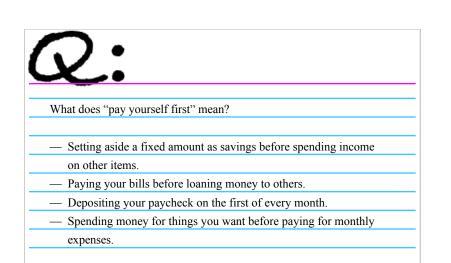
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Expenses from income		

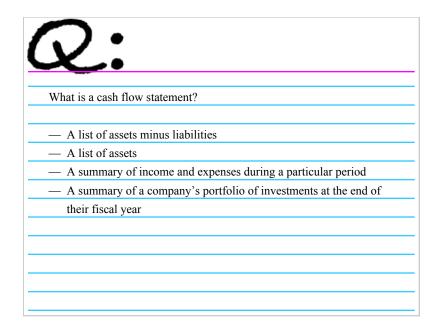


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16			

	ased a stock for \$44 per share. H	
\$1.32 per sha	e. What is his yield on this inve	stment.
— 1.32%		
— 1.32% — 3%		
— 4.4%		
— 5%		

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3%	•			





Setting aside	a fixed amount as savings	s before spending income on
other items.	i fixed amount as saving.	s octore spending meome on
outer nome.		

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Λ s	ummary of income	and avnances	during a particu	ular pariod
As	uniniary of meonic	and expenses	during a partict	nui periou



What is an advantage of enrolling in your employer's 401(k) or 403(b) plan?

- The amount you choose to contribute is automatically deducted from your paycheck and is not subject to tax until it is withdrawn--usually at retirement age.
- The amount you choose to contribute is automatically deducted from your paycheck and deposited in your employee credit union account.
- The amount you choose to contribute is automatically deducted from your paycheck and deposited in your savings account.
- The amount you choose to contribute is automatically deducted from your paycheck and is sent to the Internal Revenue Service (IRS) to apply to your taxes for that year.



What is Lakeisha's net worth? She has a \$4,500 car loan on her car which has a value of \$6,500, no credit card debt, \$500 in her checking account, and \$750 in her savings account.

- **--** -\$2,750
- \$3,250
- \$7,750
- \$12,250

The amoun	t you choose to contribute is automatically deducted from
	· · · · · · · · · · · · · · · · · · ·
your payen	eck and is not subject to tax until it is withdrawnusually
at retiremen	nt age.

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e2 250			
\$3,250			



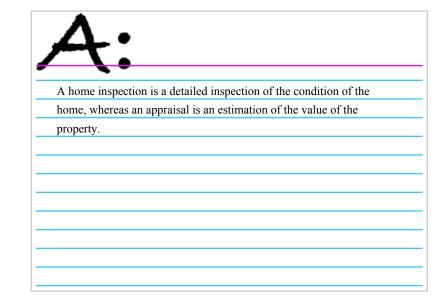
What is the difference between a home inspection and a home appraisal?

- A home inspection is required and a home appraisal is optional.
- A home inspection is a detailed inspection of the condition of the home, whereas an appraisal is an estimation of the value of the property.
- A home inspection is limited to the foundation and structure of the exterior of the property, whereas an appraisal in limited to the interior structure and condition of the property.
- A home inspection is done by a licensed real estate agent and is paid for by the seller, whereas an appraisal is done by the city or county government and there is no charge for the service.



What is the difference between a job and a career?

- A job is work you do mainly to earn money; a career is a commitment to work in a field or industry.
- A job is in a for-profit business; a career is in a not-for-profit business.
- A job is always 8 a.m. to 5 p.m.; in a career, you are not on a time clock.
- A job is 40 hours a week; a career may exceed 40 hours/week.
- A job is temporary; a career is permanent.



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A j	ob is work you do ma	inly to earn n	noney; a career	is a commitment
o v	vork in a field or indu	ıstry.		
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What is the difference in a credit card and a debit card?

- A credit card requires a personal identification number (PIN) but a debit card does not.
- If your credit card it stolen, most card issuers will not hold you responsible if you notify the issuer within a certain period of time. If your debit card is stolen, you are liable for all charges.
- Although both charge a specific rate of interest, a credit card charges a higher rate of interest than a debit card.
- A debit card requires a PIN but a credit card does not.



What is the difference in closed-end credit and open-end credit?

- Closed-end credit is a loan with a maximum amount based on the borrower's credit history, whereas open-end credit is a loan with a very high loan amount.
- Closed-end credit is a variable line of credit, and open-end credit is a fixed line of credit.
- Closed-end credit is a loan at a relatively low rate of interest, and open-end credit is a loan for which the interest rate changes monthly.
- Closed-end credit is a one-time type of loan that the borrower
  pays back over a specified period of time in payments of equal
  amounts. Open-end credit is a line of credit that can be borrowed
  for a variety of goods and services.

A dobit or	ard requires	o DIN bu	t a aradit	aard daas	not	
A debit ca	ard requires	s a PIIN Du	i a credit	card does	пот.	

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Closed-end credit is a one-time type of loan that the borrower pays back over a specified period of time in payments of equal amounts.

Open-end credit is a line of credit that can be borrowed for a variety of goods and services.



What is the difference in tax-exempt income and tax-deferred income?

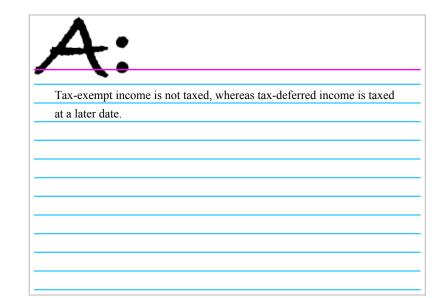
- There is no difference. Neither is subject to taxation.
- Tax-exempt income is not taxed, whereas tax-deferred income is taxed at a later date.
- Tax-exempt income is composed of dividends from stock, whereas tax-deferred income is composed of interest from bonds.
- Tax-exempt income only applies to low-income households, whereas

tax-deferred applies to all households.



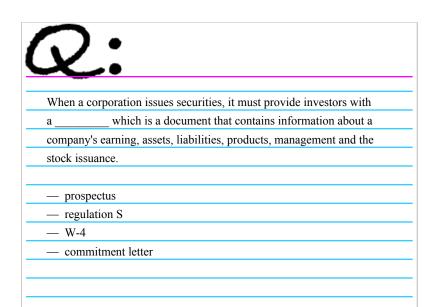
What of the following statements is FALSE?

- A corporation does not have to pay dividends.
- Preferred stockholders receive dividends before common stockholders are entitled to dividends.
- Common stockholders have voting privileges.
- Preferred stockholders are guaranteed to receive what they paid for a stock when they sell it.



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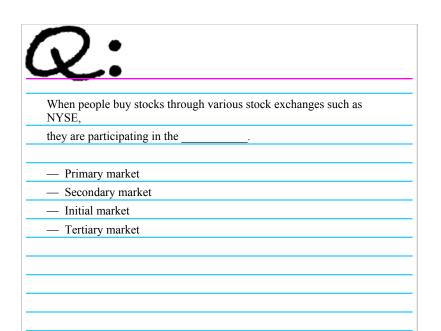
Preferred stockholders are guaranteed to receive what they paid for a stock when they sell it.

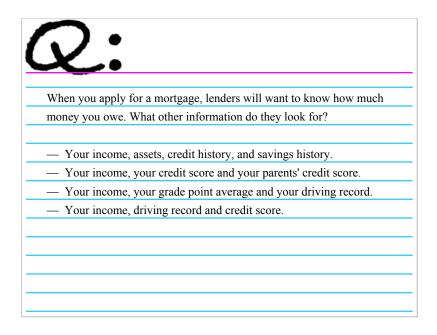


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prospectus		

	<b>L</b> :
1	When entering into a contract to buy a house, the buyer must deposit
_	money which will be held in an escrow account until the sale
	is completed. At that time, the money applies toward the down payment.
-	— valuation
-	— no-fault
-	— earnest
-	— lease

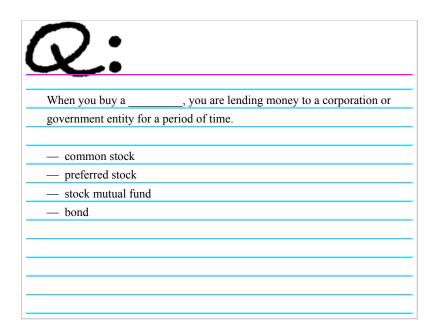
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earnest			
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A:			
Secondary market			
Tertiary market			

A:
Your income, assets, credit history, and savings history.



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bond			

When you receiv	ve your checking account bank statement each month,
vhat items migh	t be on it that you do not show in your account
egister?	
<ul><li>Monthly serv</li></ul>	rice charges for the checking account.
<ul> <li>Checks that y</li> </ul>	you have written during the time period that the
statement co	vers
<ul> <li>Direct depos</li> </ul>	its from your employer
<ul> <li>Direct payme</li> </ul>	ents such as your monthly auto-pay cell phone bill

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3.6 .1		0 1 1 1		
Month	y service charges	for the check	king account.	



When you rent an apartment, you will probably have to sign a lease. A lease is a . . .

- legal document that defines the conditions of the rental agreement between the tenant and the landlord.
- document which lists rules and restrictions of the property but is not legally binding.
- report of the tenant's credit history.
- report by the local realtor association listing any grievances against the property for the past five years.



Which of the following are considerations when making a decision about a savings account?

- Inflation
- Tax considerations
- Liquidity
- Restrictions and fees

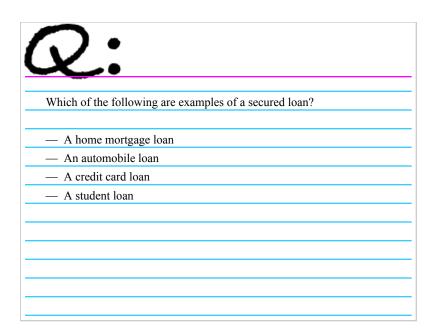
between the tenant and the landlord.	egal document that defines the conditions of the rental agreemen
	between the tenant and the landlord.

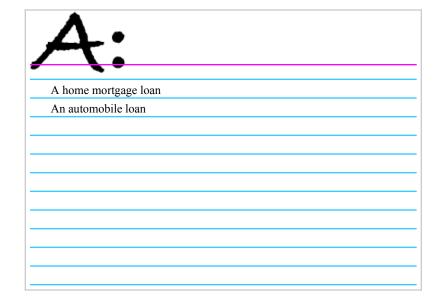
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Inflation	
Tay consid	aratio

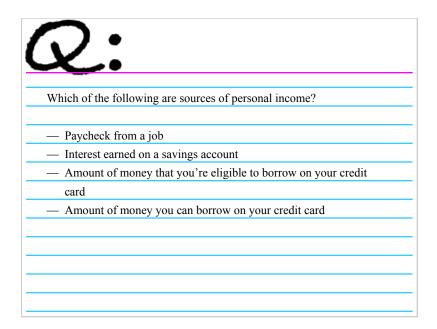
Tax considerations

Liquidity

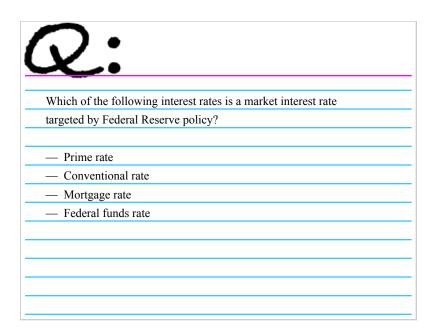
Restrictions and fees

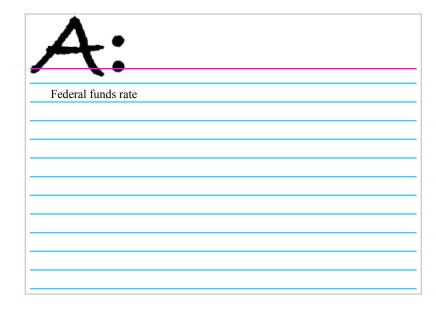


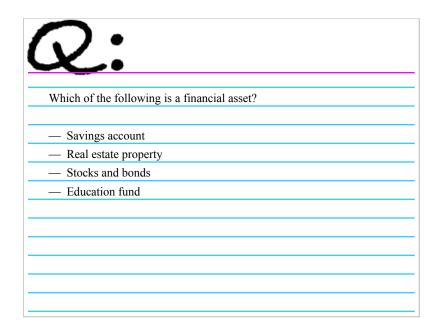




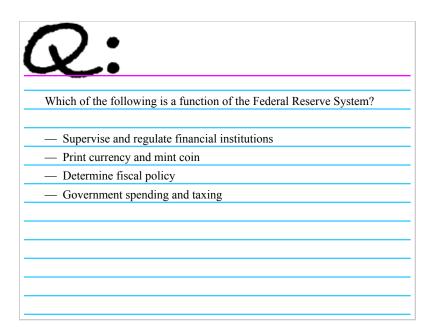
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•	•		
Paycheck fro	m a job		
Interest earne	ed on a savings ac	count	

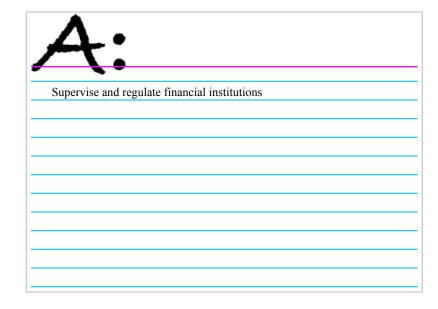


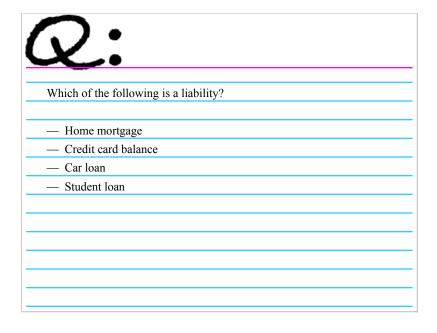




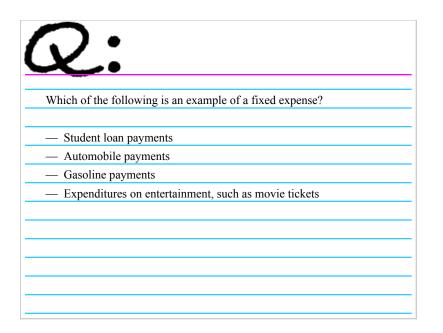
Savings account		
Real estate property		
Stocks and bonds		
Education fund		

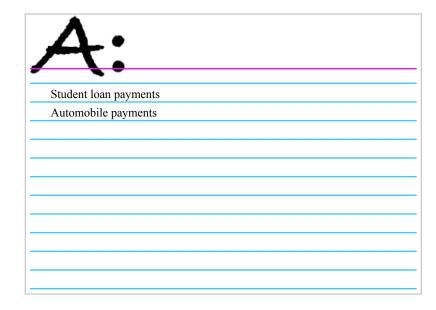


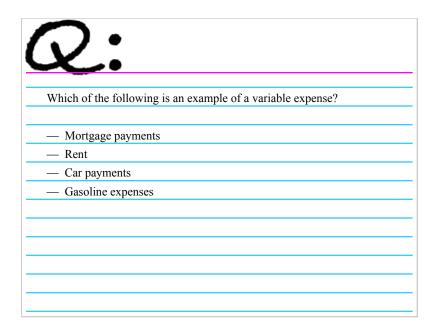




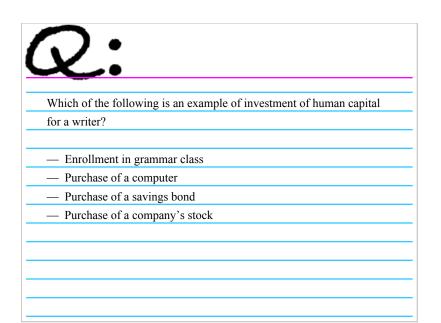
Home mortgage		
Credit card balance		
Car loan		
Student loan		

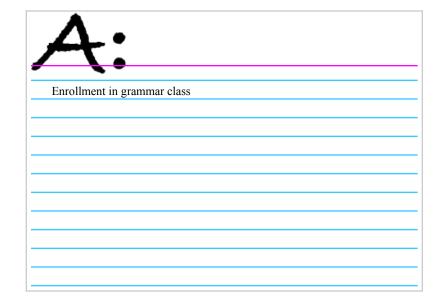


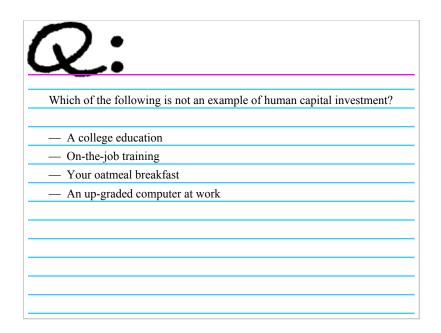




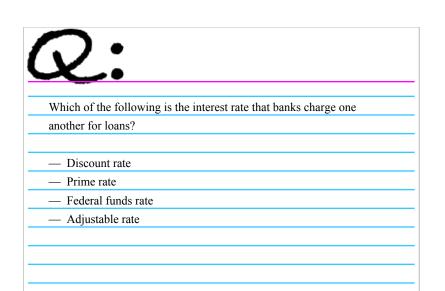
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Gasoline expenses			

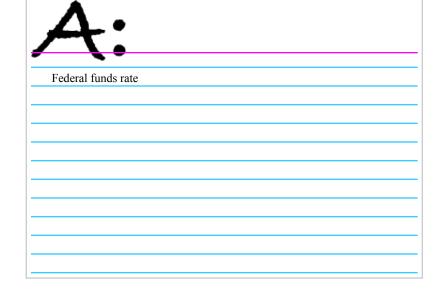






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An up-graded con	nputer at work	:	







Which of the following represent financial goals that are specific and realistic and that establish timeframes?

- I want to be rich.
- I want to save \$2,500 for a down payment for a car by the time I'm 18.
- I want to have \$150 to pay for prom expenses by my senior year.
- I want to have \$5 billion by the time I'm 40.

Z	_ •		
l want t	save \$2,500 for a dov	n payment for	a car by the time I'm
18.			
want t	have \$150 to pay for	prom expenses	by my senior year.
		•	



Which of the following statements regarding rent-to-own contracts is not true?

- With this type of contract consumers can get immediate delivery on new furniture, appliances or other items.
- There is no down payment or credit check.
- If the consumer keeps the rental item for a minimum amount of time, there is no penalty charged for returning it.
- The renter can miss up to four payments before they are obligated to return the item to the store.

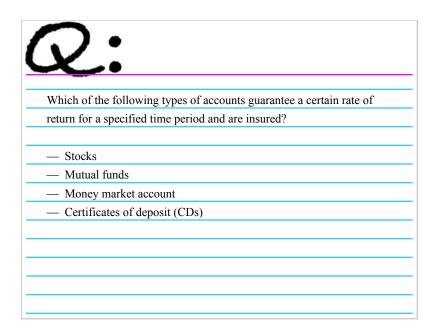


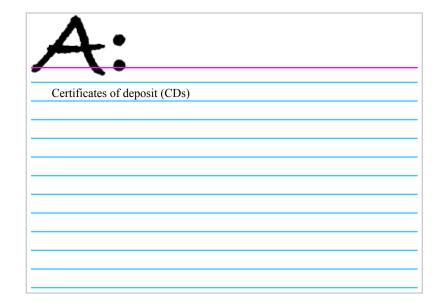
Which of the following tips to follow when endorsing a check is incorrect?

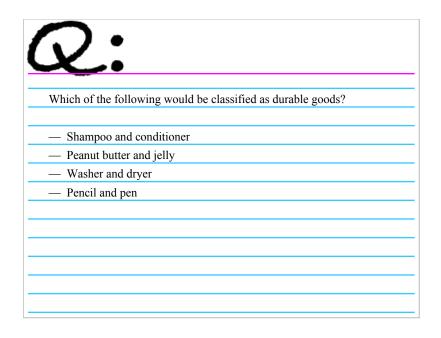
- Do not endorse a check until you are ready to cash or deposit it.
- If depositing a check by mail, write "For deposit only" on the back above your signature.
- Sign your name in pencil so that if you change your mind about cashing or depositing the check, you can erase your signature.
- Sign your name exactly as it appears on the front of the check.

		ents before they are	obligated to
return the item to	the store.		

_	A:
	Sign your name in pencil so that if you change your mind about
	cashing or depositing the check, you can erase your signature.







Λ.			
<b>/</b> :			
Washer and dryer			



Why should you think twice before agreeing to cosign a loan?

- Cosigning a loan means you are agreeing to be responsible for the entire loan payment.
- Cosigning a loan means you are agreeing to be responsible for half of the total loan payment.
- Cosigning a loan means you are agreeing to be responsible for 25% of the loan payment.
- Cosigning a loan means you are agreeing to be responsible for the down payment on the loan.



You are applying for a \$5,000 loan from ABC Bank. The banker asks that you list assets you would be willing to offer as collateral.

Which of the following will the banker most certainly reject?

- Your \$5,000 savings account held in ABC Bank.
- Your \$15,000 savings account held in XYZ Bank.
- Your car which you will have paid off in 18 months.
- Your \$10,000 mutual fund account with Barn Smithy Investments.

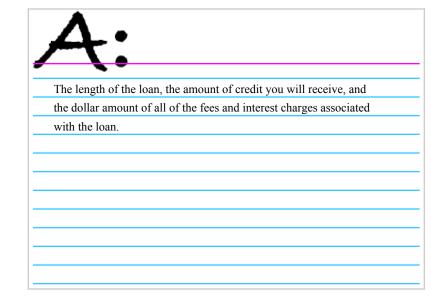
Cosigning a lo	an means you are agree	ing to be responsible	e for the
entire loan pay	ment.		

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Yo	our car which yo	ou will have r	aid off in 18 i	nonths	
10	ar car willer y	ou will have p	uid oii iii io i	HOHIHIS.	



You must have the following information to compute the Annual Percentage Rate (APR) of a loan.

- The amount of credit you will receive, the length of the loan, the frequency of the payments
- The dollar amount of all of the fees and interest charges associated with the loan
- The length of the loan, the amount of credit you will receive, and the dollar amount of all of the fees and interest charges associated with the loan.
- The frequency of the payments, The amount of credit you will receive, and the length of the loan.





Your credit report contains information on all but one of the following

- The status of your credit card accounts
- The name of your employer
- The names of your creditors
- The number of your dependent children

A:	
The number of your dependent children	