**FINANCIAL LITERACY**

1)  What term is used when a nation's economy moves upward?

 A) collaboration

 B) expansion

 C) recession

 D) aggression

2)  What are the four (4) C's of credit?

 A) capacity, character, capital, collateral

 B) capacity curiosity, capital collateral

 C) capacity, character, curiosity, copay

 D) capacity, character, collateral, co-signer

3)  Which of the following is **not** true about an educational scholarship?

 A) the funds are used for education

 B) scholarship winners can be selected based on their academic achievements

 C) scholarship winners can be selected based on their talents

 D) the funds must be repaid within five years

4)  A Money Market Account's rate of interest fluctuates rapidly. Why would a person choose a Money Market Account?

 A) because the stock market fluctuates too much

 B) because savings accounts are unable to handle large amounts of money

 C) to keep small amounts of money as ready cash

 D) to keep large amounts of money liquid but earning higher interest

5)  Joanna writes down each time she withdraws or deposits money and when she writes a check. What is the record of her checking account that she continually updates known as?

 A) bank reconciliation

 B) bank statement

 C) check registry

 D) deposit slip

6)  Randall has the choice of getting paid a salary of $4800/month or a commission of sales he generates at a rate of 40%. The average salesman working at this place of employment generates $10,000 in sales each month. Based on the average numbers, which option would pay him more and how much will he make each month?

 A) commission, $4000

 B) salary, $4000

 C) salary, $4800

 D) commission, $4800

7)  Jamie bought a shirt marked $19.25 at a local store and was charged 7% sales tax when she checked out. 5% of the total tax was for state tax and 2% of the total tax was for city tax. Her receipt showed she spent $20.60 total. How much money will the state receive in tax for the purchase of this shirt? Round to the nearest cent.

 A) $0.39

 B) $1.35

 C) $0.96

 D) $1.03

8)  A $1 deductible expense (before tax) will cost after tax if a business’s marginal tax rate is 40%.

 A) $0.00

 B) $0.60

 C) $0.40

 D) $1.00

9)  The firms and institutions that together make it possible for money to make the world go around.

 A) Financial market

 B) Financial brokerage

 C) Financial security

 D) Financial system

10)  The difference between a property’s current value and the number of encumbrances against it is called \_\_\_\_\_.

 A) equity

 B) liquidity

 C) capital gain

 D) appreciation

11)  In order to make an informed financial decision when creating a budget, it is best to identify which of the following?

 A) consumer rights and civil laws

 B) state mandates and insurance laws

 C) mortgage loan rates and personal loan rates

 D) personal needs and wants

12)  The acronym APR is used to describe the total cost of borrowing money. What does the acronym APR stand for?

 A) Amortized Price Receipt

 B) Actual Percentage Rebate

 C) Actual Price Rate

 D) Annual Percentage Rate

13)  Jake currently owes $8,000 on his student loans. When he started paying off his loans he originally owed $35,000. What percent of his student loan debt has he paid off? Round to the nearest percent.

 A) 77%

 B) 75%

 C) 23%

 D) 25%

14)  What is the term used to identify the top number of a fraction?

 A) prime number

 B) numerator

 C) mixed number

 D) denominator

15)  Rename 36 percent as a decimal.

 A) 6

 B) .0036

 C) 36

 D) .36

1) B

2) A

3) D

4) D

5) C

6) C

7) C

8) B

9) D

10) A

11) D

12) D

13) A

14) B

15) D