Managing Your Finances Quiz Key

Matching:

a. asset  
b. budget  
c. cash flow  
d. equity  
e. finance  
f. income  
g. liabilities  
h. liquidity  
i. need  
j. net worth  
k. wants

__b__1. Process of forecasting future income and expenses
__i__2. Basics of life such as shelter, food, clothing.
__f__3. Money received from wages, allowance, investments, child support or gifts.
__j__4. Assets – liabilities =
__g__5. Money you owe or debt
__c__6. Money that comes in through income and goes out through expenditures
__k__7. Things you spend money on that make your life more comfortable
__a__8. Things you own such as your home, cars, collections or things of value.
__d__9. Ownership
__e__10. When you borrow money to make a large purchase

Multiple Choice

__a__11. When you die, what is important to your heirs?
   a. Financial records
   b. Personal financial plan
   c. Establishing your income
12. Which component of building a solid future is important if you are in an accident.
   a. Budgeting and taxes
   b. Personal financing
   c. Protecting your assets

13. The average American spends the largest percent of their income on
   a. Food
   b. Housing
   c. Transportation

14. If you take money out of a savings account to pay for a car repair, we call that.
   a. Liquidity
   b. Financing
   c. Net worth

15. The most common way to manage risk to protect your assets is
   a. Savings account
   b. Safe deposit box
   c. Insurance

16. Many people who do not have savings ___ for emergencies.
   a. Sell some valuables
   b. Borrow from a neighbor
   c. Use credit cards

17. Which is NOT true? When saving for retirement___.
   a. You can put off paying taxes on retirement savings until retirement.
   b. The younger you start saving for retirement the more time for your money to grow.
   d. The older you are when you start saving for retirement, the younger you are likely to retire.