

FINANCES: MONEY MANAGEMENT

Name _____

Date _____

Circle True or False:

1. **T/F** Good money management skills are not important. (A1)
2. **T/F** We learn money management skills from our parents and family members. (A1)
3. **T/F** When you pay for things with cash, you are aware of what you are doing with your money. (A2)
4. **T/F** There are no downsides to using debit cards. (A2)
5. **T/F** Wise money management includes putting aside money for savings. (A3)
6. **T/F** The safest place to save money is in a financial institution. (A3)
7. **T/F** Interest payments can be annual, quarterly, monthly, or daily. (A3)
8. **T/F** Compound interest works only if you withdraw your money often. (A3)
9. **T/F** It is ok to give someone your ATM card or PIN. (A3)
10. **T/F** Debit cards are the same as credit cards. (A4)
11. **T/F** "The borrower is a slave to the lender." (A5)
12. **T/F** If you don't make payments on a loan, the loan holder can repossess the item. (A5)
13. **T/F** Personal budgeting is a way to find out where your money went. (A6)
14. **T/F** Now is the time to start saving for life after high school. (A7)
15. **T/F** The military is a good way to gain job skills and pay for collage using the GI Bill. (A7)

Circle the most correct answer:

16. What are three key ways to manage your money? (A1)
 - a. Frivolous spending, stashing under your mattress, spend as fast as you can
 - b. Wise/planned spending, saving, planning/budgeting
 - c. Impress your friends, get what you want now, pay for everything on credit cards
 - d. Credit, credit, credit

17. The definition of CASH is: (A2)
- Money in the form of coins or banknotes, especially that issued by a government
 - Money or an equivalent, as a check, paid at the time of making a purchase
 - Money in the form of a credit card with a high available balance
 - A and B
18. The downside of using a debit card in place of cash is: (A2)
- You don't feel the cash leaving your hand
 - It's very easy to overspend
 - You can overdraw your bank account
 - All of the above
19. You should not save money in your closet or under your mattress because: (A3)
- Someone could steal it
 - It's impossible to find anything in your closet
 - You may spend it because of easy access
 - A and C
20. What is compound interest? (A3)
- Interest calculated on the principal
 - Interest calculated on the interest
 - Interest calculated on the principal and accrued interest
 - I have no idea!
21. Why is using a credit card a bad idea? (A5)
- Interest is charged on the unpaid balance
 - Balance grows and will never be paid off if only the monthly minimum payments are made
 - Prevents you from getting ahead financially
 - All of the above

22. Two ways to manage your money are: (A6)
- Envelope System and Budget Spreadsheet
 - Envelope System and Balancing Act
 - Budget Spreadsheet and Cash
 - Cash and Checks
23. Why is a written budget important? (A6)
- Track expenditures
 - Shows you where to adjust any budget category in future months
 - To balance your checkbook each month
 - A and B
24. What is NOT a good way to pay for college? (A7)
- Live at home while attending school
 - Work part-time while attending school
 - Go into debt up to your eyeballs with student loans
 - Join the military and take advantage of the GI Bill
25. Whatever you do after high school, it is important to: (A7)
- Listen to your friends and do nothing
 - Start preparing and saving money now
 - Play as many video games as you can before your subscription runs out
 - Post everything on your social media account