Part 2

Test Questions

Module 1

1. To reach a financial goal you should
   a. Spend less than you make so you can save money to reach the goal.
   b. Borrow from family or friends.
   c. Depend on luck, like winning the lottery.
   d. Not worry about goals since the future is so uncertain.

2. Your resources greatly influence the choices we can make. Resources available to high school and college students include:
   a. Only money.
   b. Money, GPA, ACT/SAT score, knowledge, and skills.
   c. Only money and the people you impress in school.
   d. None of the above.

Module 2

3. It is easier to do or keep track of which of the following if you have a bank account.
   a. How much money you have.
   b. Save money toward a goal.
   c. Pay bills.
   d. All of the above

4. The term “underbanked” means.
   a. The rooms below a bank where they store the money.
   b. The part of the edge of a lake that is usually underwater.
   c. Someone who has a bank account but doesn’t use it as their usual way to handle money.
   d. None of the above.

5. Many employers no longer use a paper check when paying employees. If you don’t have a bank account, your employer may pay you using:
   a. An electronic deposit to your account.
   b. A gift card to your favorite store.
   c. A paycard.
   d. A voucher for the grocery store.

Visit www.mycollegemoneyplan.org for additional resources and information.
6. The financial institutions where people can normally open a checking or savings account are:
   a. A pawn shop or a payday loan store.
   b. A bank or credit union.
   c. A grocery store or large discount store.
   d. None of the above.

7. What is an overdraft fee?
   a. A fee charged by the utility company when you use your air conditioner too often.
   b. A fee charged by a bank when you spend more money than you have in your account.
   c. A fee paid to a professional athlete when he is drafted earlier than expected.
   d. An historical term meaning the fee paid by someone so that another person would take their place in the military draft.

8. One reason you should carefully look over your bank statement every month is to:
   a. Make sure you recognize every transaction.
   b. Make sure no one else is using your money.
   c. To detect signs of identity theft.
   d. All of the above.

Module 3

9. Net pay is:
   a. The type of money that fishermen earn.
   b. The same as “take home pay”.
   c. Your gross pay minus the mandatory and optional deductions.
   d. b and c above.

10. What is the best definition of a periodic expense or “hidden cost”.
    a. An expense that happens at least once a year but not every month, like car tags.
    b. A cost paid to learn how to right sentences correctly.
    c. The cost of not being able to find money you hid in a special place.
    d. None of the above.
Module 5

11. The best way to have money to save toward a financial goal is to:
   a. Spend less than your net income.
   b. Rely on gifts from friends.
   c. Hope to win the lottery.
   d. Borrow money for your all of your financial goals since they are so important.

Module 6

12. What terms below describe the “mainstream economy”.
   a. Economic activity close to major river systems.
   b. Loan activity is reported to the credit reporting agencies.
   c. Loans with interest rates are at or below generally accepted limits.
   d. b and c above are correct.

13. Two of the most common forms of collateral used for loans are.
   a. The interest rate and fees.
   b. Delinquency and default.
   c. Homes and automobiles.
   d. None of the above.

14. If a secured loan goes into default, the lender normally takes steps to:
   a. Forgive the loan.
   b. Take ownership of the collateral that secured the loan.
   c. Lower the interest rate.
   d. Lower the loan payments.

15. What do the initials APR mean when referring to interest rates?
   a. Always Preferred Rate.
   b. Annual Percentage Rate.
   c. Annual Price Reduction.
   d. Any Price Rate.
Part 2
Test Questions

16. Why do credit cards usually have higher interest rates than car loans?
   a. Because credit card loans are usually smaller than car loans.
   b. Because credit card loans are unsecured and car loans are secured loans.
   c. Because it’s easier to get a credit card.
   d. None of the above.

17. A common revolving charge account is a:
   a. Payday loan.
   b. Loan for admission to an expensive amusement park.
   c. A credit card.
   d. A personal loan from a family member who owns a firearm.

18. What is the “grace period” as it applies to credit cards?
   a. The time you have to pay the entire bill and not be charged interest.
   b. The amount of time needed to find the money needed for the minimum payment.
   c. The time of year credit card companies make donations to religious organizations.
   d. None of the above.

19. What are some of the fees associated with credit cards?
   a. A fee for a late payment.
   b. A fee for the balance (total charges) on the card going higher than a preset limit.
   c. An annual fee just for having the card.
   d. All of the above.

20. Which of the following are normally associated with contracts a rent-to-own furniture and appliance businesses?
   a. The total cost to buy something is usually less than purchasing the same item from other stores.
   b. Payments are made on a weekly basis.
   c. If you stop making payments before your contract is complete the company will take back the item and you will not receive a refund.
   d. A and b above are correct.
21. The “Non Mainstream Economy” includes loans or contracts from:
   a. Auto Title Lenders.
   b. Rent-to-Own furniture and appliance stores.
   c. Payday lenders.
   d. All of the above.

Module 7

22. Pick examples of “debt that may be necessary” for most people from the choices below.
   a. A mortgage to purchase a home.
   b. Reasonable student loans to complete a college education.
   c. Running up a credit card balance for a spring break trip.
   d. A and b above.

23. Why is carrying a balance on a credit card considered a “debt to avoid”
   a. Because of the high interest rate.
   b. Because if you make a late payment, the credit card company may raise your interest rate to around 30% APR.
   c. Because the credit card company would be able to repossess your car if you stopped making payments on your credit card.
   d. A and b above

24. Why are Rent-to-Own contracts, Auto Title Loans, and Payday Loans “debts to avoid”.
   a. Because the business locations are sometimes hard to find.
   b. Because they are very expensive.
   c. Because the loan activity is not reported to the credit reporting agencies.
   d. B and c above are correct.

Module 8

25. How many credit reports does a person usually have?
   a. 1
   b. 2
   c. 3
   d. 4
26. If there is inaccurate information in your credit report, your credit score could be lower than it should be. What could happen then?
   a. A loan application may be denied.
   b. You may lose out on a job opportunity.
   c. You may have to pay higher interest rates even if you get a loan.
   d. All of the above.

27. The three types of active credit accounts that can appear on a credit report are:
   a. Rent history, student loans, and utility bills
   b. Installment loans, mortgages, and revolving charge accounts
   c. Credit cards, overdue library books, and rent-to-own furniture and appliance store accounts.
   d. None of the above.

28. What could be true about an account in “Collection” on a credit report?
   a. The account originally belonged to a lender and was sold to the collection agency.
   b. It could have come from a utility company or even a public library for an overdue book.
   c. It creates negative information that could stay on your report for 7 years.
   d. All of the above.

29. The most severe negative information that can appear on a credit report appears in which section?
   a. The Identification Section.
   b. The Public Records Section.
   c. The Private File Section.
   d. The list of inquiries.

30. A Judgment can be awarded to a lender by a court if the lender convinces the court you owe them a legal debt. What can a lender once a judgment is awarded to them by the court?
   a. Garnish your wages.
   b. Take money from your bank account.
   c. Force a sale of some of your assets to help pay the debt.
   d. All of the above.

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31. A federal law allows us to get our credit reports for free once a year from which website.
   a. freecreditreport.com
   b. credit karma
   c. annualcreditreport.com
   d. creditforyou.com

Module 9

32. Your credit score may be made up using information from the following sources.
   a. Gender, race, marital status, religion, national origin, age or receipt of public
      assistance.
   b. Your salary, occupation, title, employer, date employed or employment history.
   c. Your address, child/family support obligations, or rental agreements
   d. None of the above.

33. The single most important factor that affects your credit score is:
   a. Your employment status.
   b. How long you have had credit.
   c. The payment history of the accounts on your credit report.
   d. Your income.

34. Credit Scores are being used in which of the following situation.
   a. To decide if you can get a loan and the interest rate you will pay.
   b. To see if you qualify for a lease.
   c. To see whether you need to put down a deposit to get the water or electricity turned on.
   d. All of the above

35. Sometimes what seems like the right thing to do for your overall finances could hurt your
    credit score. An example of this is:
   a. Paying your bills so the payment arrives before the due date.
   b. Closing your oldest credit card account even if you aren’t using it.
   c. Making sure the balances on your loan accounts keep going down.
   d. None of the above.

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Module 10

36. Name some of the things that could happen if your purse or wallet was stolen by an identity thief.
   a. The thief could use information to open credit cards in your name.
   b. The thief could use our credit card and make charges against your account.
   c. The thief could use your debit card and take money from your bank account.
   d. All of the above.

37. What is true about a Social Security Number?
   a. Feel free to give it out to anyone who asked since the government will protect you from harm.
   b. You should carry your Social Security Card with you wherever you go for positive identification reasons.
   c. You should ask why someone really needs it if it is on a form you are filling out.
   d. None of the above.

38. What is true about passwords and identity theft?
   a. You should use the same password for every site on the internet that requires one.
   b. You should use a password related to your pet’s or family’s name so that it is easy to remember.
   c. You should never change a password once you have established one on a website.
   d. None of the above.

39. What do you need to do to make sure to keep your information safe when paying for something online with a credit card?
   a. Make sure the website’s URL starts with https://
   b. If there is an icon for a lock, make sure it is in the “locked” position.
   c. Do NOT store your credit card information with the company.
   d. All of the above.

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40. What are good practices for keeping your information secure when paying bills online.
   a. If you need to store account information, store the account numbers for your bills on the bank’s computer system.
   b. If you need to store account information, store your bank account number on the computer system for every bill you pay.
   c. Don’t worry about the website URL showing https://, the amount of money contained on most people’s bill payments isn’t worth stealing.
   d. Merchants usually have stronger security systems so store all information with your favorite merchant.

41. If you believe you are the victim of identity theft you should:
   a. Place a fraud alert on your credit reports.
   b. Carefully review your credit reports for items you don’t recognize
   c. File a police report.
   e. All of the above.