

# Money Management Key

1. A financial goal should be:

- Achievable in less than five years
- Specific**
- Vague

2. If saving for a goal becomes too difficult, it is a good idea to:

- Consider if you can extend the achievement date**
- Give up and start again
- Ask relatives for money

3. Your file cabinet should contain such personal financial documents as:

- Will and power of attorney
- Deeds and titles for your home, car, and other real property
- Recent account statements**

4. Signing up for online statements is beneficial because it:

- Alerts you if you become the victim of identity theft
- Balances your accounts for you
- Eliminates the risk of bills being lost in the mail or misplaced**

5. To know where your money goes, it is a good idea to track your spending for at least:

- One day
- One week
- One month**

6. You can eliminate waste from a budget by:

- Questioning whether each purchase is a want or a need**
- Increasing your income
- Sacrificing necessary expenses

7. Which of the following is a rule all budgets should follow?:

- You should never use credit cards
- Your expenses should be less than your income**
- You should save 20% of your income

8. A budget should include:

- A history of your past income
- Periodic expenses**
- Necessary expenses only

9. Saving money:

- Should only be done after repaying all debt
- Can be jump-started by setting up an automatic transfer from your checking to your savings account**
- Only makes sense if you can set aside ten percent of your monthly net income

10. A recommended place to keep your emergency fund is a:

- Savings account**
- Bonds
- A mutual fund