

Financial Planning Key

1. The value of your assets minus your liabilities is your:

- Cash flow
- Net worth**
- Equity cushion

2. Short-term goals are met in under:

- Six months
- One year**
- Two years

3. Which of the following gives you a percentage of ownership in a company?:

- Stock**
- Bond
- Cash equivalent

4. Which of the following is not considered a cash equivalent?:

- Index fund**
- Certificate of deposit
- U.S. Treasury bill

5. Which of the following is an example of a non-employer-sponsored retirement plan:

- 403(b)
- 401(k)
- Roth IRA**

6. A _____ is a tax-advantaged account for education costs:

- 529 Plan**
- Traditional IRA
- Testamentary trust

7. _____ life insurance combines a death benefit with a savings account:

- Term
- Cash-value**
- Burial

8. A will:

- Allows you to specify guardianship for a dependent**
- Is a separate legal entity that holds ownership of your asset(s)
- Is only important for people with lot of property

9. CFP stands for:

- Chartered financial professional
- Certified fund planner
- Certified financial planner**

10. When choosing a financial professional, you should:

- Listen to your gut**
- Only use someone with at least ten years of experience
- Choose the person who charges the lowest fee