

# The Psychology of Spending Key

## 1. What is a common tactic used by advertisers?:

- Imply that your family will hate you if you do not buy their product or service
- Imply that their product or service can provide the image or lifestyle you want
- Imply that buying their product or service is the only way you will be successful in life

## 2. The desire to have a happy, perfect home is often used in advertising to sell what type of products?:

- Cooking and cleaning
- Jewelry and cosmetics
- Power tools and furniture

## 3. Trying to have the same level of material goods as your neighbors is called:

- Keeping up with the Joneses
- Keeping up with the Smiths
- Keeping up with the Rockefellers

## 4. What can help you break out of unaffordable spending habits?:

- Using cash for all of your purchases
- Using credit for all of your purchases
- Periodically examining your finances

## 5. The longer you stay in a store:

- The more likely you are to make an impulse purchase
- The less likely you are to make an impulse purchase
- Has no affect on the likelihood you will make an impulse purchase

## 6. Buying something on sale is:

- Always a good cost-saving measure
- Only beneficial if you were planning to buy it anyway
- Only beneficial for food or another necessity

**7. If you like to shop when you are depressed, it is a good idea to:**

- Cut up your credit cards
- Replace shopping with mood-boosting activities that are free
- Take a friend with you when you go to the mall

**8. Which of the following is an example of how money can get intermingled with love?:**

- A parent buys a toy for his child because he had to work and missed her recital
- A parent puts the holiday presents on a credit card because he has no savings
- A parent buys a toy for his child because it was on sale

**9. Interest that is earned on interest is called:**

- Multiplying interest
- Exponential interest
- Compound interest

**10. People tend to spend less when they use a:**

- Credit card
- Gift card
- Debit card or cash