

Teens and Money Key

1. Mid-term goals are achievable in:

- Two to four years
- One to five years
- Three to ten years

2. The basic rule of budgeting is:

- Your expenses should never exceed your income
- You should put aside 10% of your income in savings
- You should not spend more than 15% of your income on food

3. When deciding how much you can spend on a car, you should consider which of the following:

- What your friends are doing
- Insurance and maintenance costs
- What is the lowest payment you can get on a loan, even if the interest rate is high

4. APR stands for:

- Annual Percentage Rate
- Amortized Percentage Rate
- Average Percentage Rate

5. Responsibly using your debit or ATM card involves:

- Letting your friends use your card whenever they want to
- Cutting up the card so you can never use it
- Making sure you have enough money in your account before making a purchase

6. When saving, it is a good idea to:

- Set up a regular, automatic transfer from your checking account to your savings account
- Leave your savings in your checking account
- Wait until the end of the month to see how much money you have available for savings

7. When searching for a credit card, you should look for:

- A high APR
- A short grace period
- No annual fee

8. Which of the following type of credit card user is not legally responsible for making payments?:

- Co-signer
- Authorized user
- Individual user

9. On average, long-term _____ provide the highest return:

- Bonds
- CDs
- Stocks

10. Which of the following type of cash equivalent is not insured?:

- Checking account
- Money market mutual fund
- Money market deposit account