Ag in the Classroom

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AGCREDIT

You earn \$400/week gross income. 19% of your income is withheld for taxes. You want to save 10% for gas, 28% for groceries, 13% for savings. How much of your net income will be available to spend? What is the central bank of the United States?

A. Bank of the United States B. The Federal Reserve System C. Bank of America D. Central Bank What is something of monetary value owned by an individual or organization called?

A. Bond B. Dividend C. Asset D. Liability True or False:

A price index that measures the cost of a fixed basket of consumer goods and services and compares the cost of this basket in one time period with its cost in some base period is called a Consumer Price Index. Payment made by individuals and corporations to the federal government (and some state and local governments) based on earned and unearned income received is called?

A. Income Tax B. Fiscal Policy C. Insurance What is revenue?

- A. An ownership share or shares of ownership in a corporation.
- B. A tax on an imported good or service.
- C. The money a business receives from customers who buy its goods and services.

Things people desire for reasons beyond survival and basic comfort are called what?

A. Wants B. Needs C. Assets D. Liabilities A spending and savings plan based on expected income and expenses is considered what?

A. A spreadsheet B. A budget C. Plan D. Financial planning Expenses that can go up and down each month are

A. Variances

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- **B.** Fixed expenses
- C. Variable expenses
- D. Estimated expenses

Name one example of a variable expense.

A. Rent

- B. Insurance
- C. Entertainment
- D. Car payment

_____ are expenses that do not change each month.

A. BudgetsB. Fixed expensesC. Variable expensesD. Variances

True or False: These fives steps: Gathering information, analyzing information, setting goals, developing a timeline, and implementing and evaluating your plan are all a part of the Budget Planning process. The purpose of a/an _____ is to plan for earning, spending, saving and investing that will allow you to achieve your personal goals in the present and the future.

A. Economic way of thinking B. Market economy C. Financial Plan True or False: I can have short term, intermediate, and long term goals for both my budget and my finances. A/An _____ is like an instant check. It takes money directly from your checking account when you make a purchase.

A. ATM B. Debit card C. Credit card D. Social Security card True or False:

A credit card is like a loan. When you use the card, you are actually taking out a loan for buying the goods and services. You promise to pay back the company that issued you the card. A way for people to exchange goods and services in a manner beneficial for all involved. It was one of the simplest forms of economic interaction. What is this system called?

A. Bartering

C. Hedging

B. Leveraging

Money has six characteristics. One of them is durability. Our paper money is not all paper. It is 75 percent _____ and 25 percent linen.

A. Polyester B. Cotton C. Paper D. Wool A/An _____ is a type of check that directs payment of a sum of cash to a payee (a person or company).

A. Money order B. Personal check C. Electronic check A/An _____ is a personal check for which payment is guaranteed by the bank on which it is drawn.

A. Electronic check B. Certified check C. Money order Today most banks and credit unions offer this service. The bank allows you to make payment and manage your account using their website. What is this service called?

A. Free checking B. 401 planning C. Online banking This is a debt that is used to finance education costs. These loans can be secured from banks and other financial institutions. What type of loan is this?

A. Long term loan B. Student loan

C. 5 year note

A/An _____ is the amount of time you have before a credit card company starts charging you interest on your new purchase. What is this?

A. Grace period B. 30 day waiting period C. Investment period True or False:

Emergencies or other unplanned or possible events are considered contingencies. For example: The farmer is out harvesting his crops and his combine breaks down. He needs money to pay to repair it or purchase another combine. Which of the following is the best source of investment advice?

A. An anonymous email
B. The financial section of the New York Times
C. A discussion between financial advisers you

financial advisers you overheard at your bank Which type of brokerage firms will likely provide the lowest cost of buying, selling and owning shares of a public company?

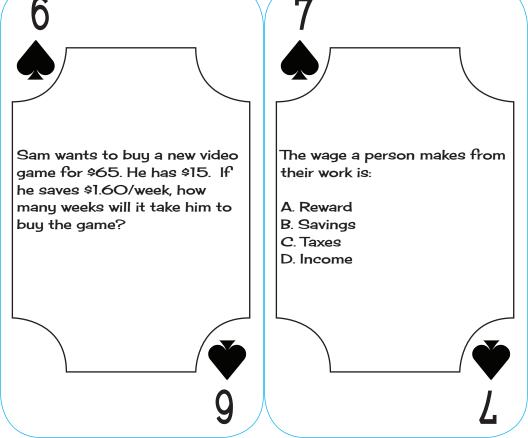
A. Full service brokerage firm B. Discount brokerage firm There are 18O days in a school year and you save \$2/ day. Your parents pay you 10% interest each year on your total savings. How much money will you have at the end of 12th grade? A reward that encourages people to save their money is:

- A. Gift B. Incentive C. Service
- D. Savings

A payment to a lender for the use of money is:

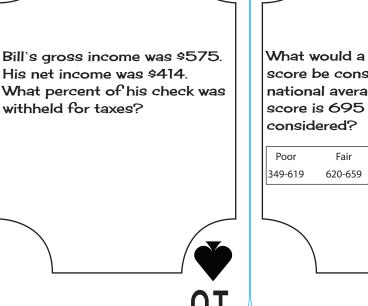
- A. Incentive
- B. Loan
- C. Interest
- D. Opportunity cost

You work 2O hours/week and earn \$6.5O/hour. You are paid biweekly. Your company withholds 27% for taxes. At the end of 8 weeks how much net income will you earn? How much will you pay in taxes?



Howard worked 30 hours last week. His gross income was \$225. His net income was \$162. What was his hourly wage? The amount a person earns after taxes are withheld is:

A. Hourly wage B. Gross income C. Net income D. Savings



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What would a 622 credit score be considered? The national average credit score is 695 - what is that

Good

660-749

Excellent

750-849

Which of the following probably has the highest credit score? Assume they make regular monthly payments on time.

- A. 18 year old college student
- B. 20 year old waiter with 2 active credit cards
- C. 4O year old business owner with 2 cars, house, 4 active credit cards

What does APR stand for?

A. Annual purchase rate

- B. Approximate payment ratio
- C. Authorized processing rate
- D. Annual percentage rate

If you saved \$1900 today to buy a \$2000 computer next year, would you be able to purchase it if your savings earned 8% and the price of the computer increased 4%? In which of the following situations will you be less likely to be asked your Social Security Number?

- A. You apply for collection of social security benefits
- B. You purchase a car with no financing
- C. You apply for a job
- D. You apply for a credit card

If your car was damaged in a flood, which type of automobile insurance would typically cover the damage to your car?

A. Universal B. Term C. Liability

D. Comprehensive

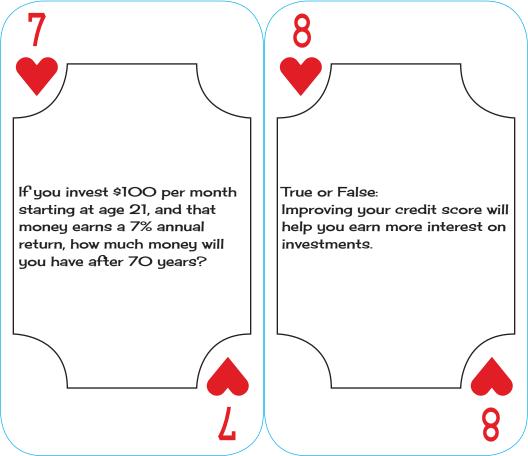
Which of the following is not typically associated with borrowing?

A. Credit card B. Mortgage C. Debit card The annual interest you would earn on a savings account from a bank:

- A. is typically less than 8%
- B. may vary from month to month
- C. is typically more than 8%
- D. generates income that is never taxed

Martin wants to set up a retirement account with aftertax contributions. Which of the following accounts should he set up?

A. IRA B. Roth IRA C. 401K D. Coverdale



Which of the following financial products can help you lower your personal risk?

A. InsuranceB. Mutual fundsC. 401K and retirement plansD. None of the above

As a salesperson, you are paid \$50/week plus \$3/sale. This week you want your pay to be at least \$100. How many sales do you need to make? Which of the following actions typically changes your credit score the most?

- A. Opening a new credit card account
- B. 50% loss in the stock market for a particular stock
- C. Credit card minimum payment was not paid for 3 months in a row

Which of the following credit cards makes sense for a person that pays his balance every month?

- A. A card with 5% fixed interest rate
- B. A card with O% interest rate for 6 months
- C. A card that offers 1% cash back rewards on purchases

Mark started a job six months ago with a monthly take-home pay of \$1400. If his monthly rent has been \$700/month and he spent an average each month of \$200 for food, \$100 for clothing and \$200 for utilities and everything else, how much did Mark save in the last six months?

Retirement income paid by the Federal government is called:

A. Social Security B. 401k C. IRA D. Roth IRA

ANSWER KEY

ANSWER KEY

Clubs 2: \$158.76, 3: B, 4: C, 5: True, 6: A, 7: C, 8: A, 9: B, 1O: C, Jack: C, Queen: B, King: False: These are the steps of financial planning, Ace: C

Spades 2: \$ 3055.38, 3: B, 4: C, 5: \$759.20, \$280.80, 6: 31.25 weeks, 7: D, 8: \$7.50, 9: C, 10: 28%, Jack: fair, good, Queen: C, King: D, Ace: No Diamonds 2: True, 3: B, 4: True, 5: A, 6: B, 7: A, 8: B, 9: C, 10: B, Jack: A, Queen: True, King: B, Ace: B

Hearts 2: B, 3: D, 4: C, 5: A, 6: B, 7: More than 1.5 million , 8: False, Improving your score will help you save money when purchasing a car with a loan, 9: A, 10: 17, Jack: C, Queen: C, King: \$1200, Ace: A