



 OKLAHOMA
AGCREDIT

2



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?



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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



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What is something of monetary value owned by an individual or organization called?

- A. Bond
- B. Dividend
- C. Asset
- D. Liability



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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.



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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



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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.



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

- A. Wants
- B. Needs
- C. Assets
- D. Liabilities



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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



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Expenses that can go up and down each month are

- A. Variances
- B. Fixed expenses
- C. Variable expenses
- D. Estimated expenses



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J



Name one example of a variable expense.

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



J

Q



_____ are expenses that do not change each month.

- A. Budgets
- B. Fixed expenses
- C. Variable expenses
- D. Variances



Q

K



True or False:
These five 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.



K

A



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



A

2



True or False:
I can have short term, intermediate, and long term goals for both my budget and my finances.



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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



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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.



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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
- B. Leveraging
- C. Hedging



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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



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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



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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



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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



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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



01

J



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



J

Q



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.



Q

K



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 overheard at your bank



K

A



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



A

2



There are 180 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?



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A reward that encourages people to save their money is:

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



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

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



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You work 20 hours/week and earn \$6.50/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?



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Sam wants to buy a new video game for \$65. He has \$15. If he saves \$1.60/week, how many weeks will it take him to buy the game?



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The wage a person makes from their work is:

- A. Reward
- B. Savings
- C. Taxes
- D. Income



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Howard worked 30 hours last week. His gross income was \$225. His net income was \$162. What was his hourly wage?



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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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Bill's gross income was \$575.
His net income was \$414.
What percent of his check was withheld for taxes?



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

Poor	Fair	Good	Excellent
349-619	620-659	660-749	750-849



J

Q

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. 40 year old business owner with 2 cars, house, 4 active credit cards

**Q****K**

What does APR stand for?

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

**K**

A



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%?



A

2



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



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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



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Which of the following is not typically associated with borrowing?

- A. Credit card
- B. Mortgage
- C. Debit card



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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



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

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



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If you invest \$100 per month starting at age 21, and that money earns a 7% annual return, how much money will you have after 70 years?



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True or False:

Improving your credit score will help you earn more interest on investments.



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

- A. Insurance
- B. Mutual funds
- C. 401K and retirement plans
- D. None of the above



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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?



01

J



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



J

Q



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 0% interest rate for 6 months
- C. A card that offers 1% cash back rewards on purchases



Q

K

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?

**K****A**

Retirement income paid by the Federal government is called:

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

**A**

ANSWER KEY

Clubs

2: \$158.76, 3: B, 4: C,
5: True, 6: A, 7: C, 8: A, 9: B,
10: 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

ANSWER KEY

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