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| 1. Standard of living is defined as the necessities, comforts, and luxuries desired by an individual or family.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 2. Your average propensity to consume is the percentage of each dollar of income, on the average, that is spent for current needs rather than savings.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 3. A good financial plan completed when one is in their 30s will typically last a lifetime.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 4. Financial planning is a continuing, lifelong process.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 5. The heart of sound financial planning is improved standard of living.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 6. Nearly 35% of Americans say retirement planning is their most pressing financial concern.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 7. The average American has less than $50,000 in savings.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 8. The most effective way to achieve financial objectives is through financial planning.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 9. Defining financial goals is an important first step in the personal financial planning process.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 10. Two persons with equal average propensities to consume will not necessarily have equal standards of living because of differences in income.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Evaluating | |

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| 11. The need for financial planning declines as your income increases.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Creating | |

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| 12. Current consumption affects future consumption.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 13. A person who has $2,000 monthly income and spends $1,800 monthly has an average propensity to consume of 90%.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Evaluating | |

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| 14. A person making $35,000 and spending $30,800 has an average propensity to consume of 80%.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Evaluating | |

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| 15. Most families find it difficult to discuss money matters.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 16. Average propensity to consume refers to how much of your money you plan to save in your financial plan.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 17. Tangible assets are earning assets that are held for the returns they promise.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 18. Financial assets are paper assets, such as savings accounts and securities.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 19. Mutual funds are examples of financial assets.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 20. One good way to save money is to purchase a new car every eight years to avoid high maintenance costs.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 21. Wealth can be defined as the total value of all the things you own.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 22. Wealthy people have a higher average propensity to consume.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 23. Financial assets include investments such as stocks and bonds.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 24. Utility refers to the amount of satisfaction a person gets from buying certain items.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 25. Personal financial planning involves translating financial goals into action plans.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 26. Your personal value system will shape your attitude toward money and wealth accumulation.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 27. The key input for a cash budget is long-term financial goals.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 28. Financial planning is a dynamic process.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 29. About 65% of Americans believe that money is freedom.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 30. By saving $3,000 a year, Manny should have enough to send his newborn son to college by the time his son turns 18.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 31. Long-term goals are typically for periods of over 6 years.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 32. Saving $3,000 for a large, flat-screen TV within the next 3 years is an example of a short-term goal.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 33. Effective financial plans are both economically and psychologically sound.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 34. Eliza's employer gives her a certain amount of money each year to spend on benefits of her choice. Eliza has a cafeteria plan.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 35. Insurance provides a way to make money on unfortunate events.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 36. The length of time you keep your money invested is less important than the rate of return you earn on your investments.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 37. Your house is an example of a tangible asset.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 38. For most people working in large firms, employee benefits are an important part of their financial planning.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 39. Over the long run, gaining an extra two percent on an investment makes little difference in earnings generated.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 40. A financial goal that would be important in all stages of the life cycle is creating and maintaining an emergency fund.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 41. Government controls consumers and businesses by regulation and taxation.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 42. Businesses are a key part of the circular flow of income that sustains our free enterprise system.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 43. Consumer choices ultimately determine the kinds of goods and services businesses will provide.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 44. GDP refers to the total earnings of American workers during a year.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 45. Decreasing taxes stimulates the economy.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 46. Reducing the money supply stimulates the economy.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 47. The longer you wait to begin retirement planning, the less you will likely have in your retirement fund.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 48. Inflation means price levels have declined.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 49. The Consumer Price Index (CPI) is the amount of goods and services each dollar buys at a given point in time.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 50. Typically, higher levels of education are rewarded with higher income over the lifetime.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 51. The median income of a person with a master's degree is more than double that of a person with only a high school diploma.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 52. Accumulating wealth for later years is called estate planning.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 53. High interest rates after the financial crisis of 2008–2009 reflect the Federal Reserve’s efforts to tighten, or reduce, the money supply.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 54. The government employs monetary and fiscal policy to ensure the level of economic activity always remains stable.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 55. Inflation generally has little effect on personal financial planning.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 56. An economic contraction usually begins after a trough is reached.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 57. The financial crisis of 2008 and 2009 was the first depression the U.S. has experienced in 75 years.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 58. Personal financial management is important because it   |  |  |  | | --- | --- | --- | |  | a. | controls inflation. | |  | b. | limits consumption. | |  | c. | uses money as an end. | |  | d. | makes personal financial goals easier to achieve. | |  | e. | lessens economic differences among individuals. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 59. Which of the following contributes to quality of life?   |  |  |  | | --- | --- | --- | |  | a. | House | |  | b. | Clothing | |  | c. | Education | |  | d. | Music | |  | e. | All of these |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 60. The last step in the financial planning process is to   |  |  |  | | --- | --- | --- | |  | a. | develop financial plans and strategies to achieve goals. | |  | b. | use financial statements to evaluate results of plans and budgets, taking corrective action as required. | |  | c. | implement financial plans and strategies. | |  | d. | redefine goals and revise plans and strategies as personal circumstances change. | |  | e. | periodically develop and implement budgets to monitor and control progress toward goals. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 61. Saving for a child's education is an example of   |  |  |  | | --- | --- | --- | |  | a. | accumulating wealth. | |  | b. | a tangible asset. | |  | c. | estate planning. | |  | d. | deferred spending. | |  | e. | propensity to consume. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 62. A primary determinant of your quality of life is   |  |  |  | | --- | --- | --- | |  | a. | a tax bill. | |  | b. | tangible property. | |  | c. | wealth. | |  | d. | motivation. | |  | e. | income potential. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 63. The average propensity to consume refers to the   |  |  |  | | --- | --- | --- | |  | a. | dollars of income spent for current consumption. | |  | b. | percentage of income saved. | |  | c. | expenditures for the minimum necessities of life. | |  | d. | percentage of income spent for current consumption. | |  | e. | fact that people with higher incomes spend more for the necessities of life. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 64. Becky graduated with a master's degree in Personal Financial Planning. After working two years in a small financial planning firm, Becky earns $60,000 annually and saves $10,000 a year. What is her average propensity to consume?   |  |  |  | | --- | --- | --- | |  | a. | 16.7% | |  | b. | 25.5% | |  | c. | 75.7% | |  | d. | 83.3% | |  | e. | 95.5% |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Evaluating | |

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| 65. Rob requests that a GPS system be added to his new care at an additional cost. The GPS system provides Rob   |  |  |  | | --- | --- | --- | |  | a. | propensity to consume. | |  | b. | wealth. | |  | c. | additional utility. | |  | d. | a financial asset. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 66. Which of the following questions should you ask yourself when developing your financial goals?   |  |  |  | | --- | --- | --- | |  | a. | How important is money to me? | |  | b. | Am I a risk taker? | |  | c. | What do I like to buy? | |  | d. | Does money make me feel secure? | |  | e. | All of these |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 67. Generally, as income rises, the average propensity to consume   |  |  |  | | --- | --- | --- | |  | a. | stabilizes. | |  | b. | drops to zero. | |  | c. | increases. | |  | d. | becomes erratic. | |  | e. | decreases. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 68. The amount of money we set aside for future consumption will be determined by   |  |  |  | | --- | --- | --- | |  | a. | our level of current wealth. | |  | b. | how much we currently earn and spend. | |  | c. | our education level. | |  | d. | the current needs of our family. | |  | e. | the cost of life's necessities. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 69. Effective financial plans should   |  |  |  | | --- | --- | --- | |  | a. | consider your wants and needs. | |  | b. | consider your financial resources. | |  | c. | reflect your personality. | |  | d. | reflect your emotional reactions to money. | |  | e. | do all of these. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 70. Family financial goals should be   |  |  |  | | --- | --- | --- | |  | a. | very general in nature. | |  | b. | realistically attainable. | |  | c. | individually determined. | |  | d. | set once for a lifetime. | |  | e. | reserved for retirement planning. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 71. Utility refers to   |  |  |  | | --- | --- | --- | |  | a. | the satisfaction you receive from purchasing something. | |  | b. | how much money you receive during the year. | |  | c. | the total of your spending for the year. | |  | d. | the value of your investments at any given time. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 72. Maria started a successful business in college and has grown it to millionaire status. Maria would be considered to have predominantly which type of attitude toward money?   |  |  |  | | --- | --- | --- | |  | a. | Spender | |  | b. | Giver | |  | c. | Saver | |  | d. | Builder | |  | e. | None of these |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 73. The most important financial planning for young people concerns   |  |  |  | | --- | --- | --- | |  | a. | career. | |  | b. | insurance. | |  | c. | investment. | |  | d. | taxes. | |  | e. | retirement. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 74. Martha is 80 and has a very high net worth. Her most important financial concern is probably her   |  |  |  | | --- | --- | --- | |  | a. | career. | |  | b. | employee benefits. | |  | c. | estate. | |  | d. | insurance. | |  | e. | savings. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 75. Sam and Lele are in their late 20s with 3 young children. Their most important financial planning concerns would probably include all of the following except   |  |  |  | | --- | --- | --- | |  | a. | asset acquisition planning. | |  | b. | liability and insurance planning. | |  | c. | retirement and estate planning. | |  | d. | savings and investment planning. | |  | e. | employee benefit planning. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 76. Employee benefits may include   |  |  |  | | --- | --- | --- | |  | a. | retirement plans. | |  | b. | health insurance. | |  | c. | employee discounts. | |  | d. | tuition reimbursements. | |  | e. | all of these. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 77. The primary reason people use financial advisors is   |  |  |  | | --- | --- | --- | |  | a. | unhappiness with results of managing their own finances. | |  | b. | saving for their children's college education. | |  | c. | tax issues. | |  | d. | estate and inheritance planning. | |  | e. | retirement needs. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 78. Tax planning is most commonly done to   |  |  |  | | --- | --- | --- | |  | a. | reduce debt balances. | |  | b. | change income patterns to avoid taxes. | |  | c. | minimize taxes. | |  | d. | pay extra taxes. | |  | e. | learn the tax code. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 79. Investments are distinguished from savings on the basis of   |  |  |  | | --- | --- | --- | |  | a. | length of time held. | |  | b. | initial dollar outlay. | |  | c. | depreciation. | |  | d. | voting rights. | |  | e. | level of risk and expected return. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 80. Estate planning involves   |  |  |  | | --- | --- | --- | |  | a. | considering how your wealth can be most effectively passed on to heirs. | |  | b. | payment of all back taxes. | |  | c. | dissolution of all privately held corporations. | |  | d. | valuation and auctioning of your valuables. | |  | e. | planning retirement. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 81. While you are still working, you should be managing your finances for retirement planning. Which of the following is not a goal of your retirement planning?   |  |  |  | | --- | --- | --- | |  | a. | Maintaining your standard of living | |  | b. | Effectively passing wealth on to heirs | |  | c. | A vacation home or boat | |  | d. | Travel |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Creating | |

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| 82. The three key groups in the economic environment are   |  |  |  | | --- | --- | --- | |  | a. | government, regulation, and business. | |  | b. | government, consultants, and business. | |  | c. | consumers, economists, and business. | |  | d. | consumers, business, and managers. | |  | e. | government, consumers, and business. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 83. Government places controls on the personal financial environment by use of   |  |  |  | | --- | --- | --- | |  | a. | taxation and fiscal policy. | |  | b. | taxation and regulation. | |  | c. | taxation and competition. | |  | d. | regulation and competition. | |  | e. | regulation and fiscal policy. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 84. Businesses provide   |  |  |  | | --- | --- | --- | |  | a. | stores. | |  | b. | money payments. | |  | c. | land and capital. | |  | d. | labor. | |  | e. | goods and services. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 85. The individual consumer is   |  |  |  | | --- | --- | --- | |  | a. | a member of the business group. | |  | b. | the party around which the personal financial environment is centered. | |  | c. | an important force in government. | |  | d. | an advocacy group. | |  | e. | relatively unimportant to business or government. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 86. The four stages of an economic cycle would not include   |  |  |  | | --- | --- | --- | |  | a. | trough. | |  | b. | expansion. | |  | c. | contraction. | |  | d. | peak. | |  | e. | stagnation. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 87. Inflation refers to   |  |  |  | | --- | --- | --- | |  | a. | rising prices. | |  | b. | declining interest rates. | |  | c. | the opposite of wealth. | |  | d. | the opposite of stagflation. | |  | e. | declining prices. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 88. As the rate of inflation increases,   |  |  |  | | --- | --- | --- | |  | a. | the cost of living goes down. | |  | b. | interest rates decrease. | |  | c. | paychecks decrease. | |  | d. | retirement plans have more difficulty meeting their goals. | |  | e. | purchasing power of a dollar increases. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 89. Federal income taxes are   |  |  |  | | --- | --- | --- | |  | a. | regressive. | |  | b. | flat. | |  | c. | progressive. | |  | d. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 90. Which of the following is a measure of inflation based on changes in the cost of a market basket of consumer goods and services?   |  |  |  | | --- | --- | --- | |  | a. | Inflation | |  | b. | Consumer price index (CPI) | |  | c. | Purchasing power | |  | d. | None of these |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 91. Your income is directly related to   |  |  |  | | --- | --- | --- | |  | a. | your geographic location. | |  | b. | your age. | |  | c. | your education. | |  | d. | all of these. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 92. Typically people with the lowest incomes tend to be   |  |  |  | | --- | --- | --- | |  | a. | educated. | |  | b. | very old. | |  | c. | very young or very old. | |  | d. | middle aged. | |  | e. | childless. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 93. \_\_\_\_ tends to increase and then decrease over the life cycle.   |  |  |  | | --- | --- | --- | |  | a. | Debt | |  | b. | Income | |  | c. | Emergency funds | |  | d. | a and b | |  | e. | a, b, and c |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 94. Financial goals should be   |  |  |  | | --- | --- | --- | |  | a. | specific. | |  | b. | attainable. | |  | c. | prioritized. | |  | d. | all of these. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 95. Ideally, retirement planning should begin   |  |  |  | | --- | --- | --- | |  | a. | during the year before retirement. | |  | b. | when the last child has left home. | |  | c. | as soon as the mortgage is paid off. | |  | d. | when you get married. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 96. A personal computer could not be used to   |  |  |  | | --- | --- | --- | |  | a. | prepare detailed budgets. | |  | b. | analyze investment possibilities. | |  | c. | store and retrieve financial information efficiently. | |  | d. | make financial decisions. | |  | e. | keep insurance coverage inventories. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 97. Which of the following is NOT a common misconception about financial planning?   |  |  |  | | --- | --- | --- | |  | a. | A professional financial planner is an unnecessary expense. | |  | b. | A little credit card debt is fine. | |  | c. | You don't need a budget if you have a general idea of what you earn and spend. | |  | d. | Retirement is a lifetime away. | |  | e. | A second income doesn't add as much as expected to the bottom line. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 98. Professional financial planners   |  |  |  | | --- | --- | --- | |  | a. | help by establishing personal financial goals. | |  | b. | are only for wealthy investors. | |  | c. | are skilled at offering simple solutions to complex financial problems. | |  | d. | make financial decisions for investors. | |  | e. | are best utilized during retirement years. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 99. A \_\_\_\_ is a designation earned by financial planners after completing required courses of study.   |  |  |  | | --- | --- | --- | |  | a. | MBA | |  | b. | LUTCF | |  | c. | CFP | |  | d. | E.A. | |  | e. | CLU |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 100. Low interest rates after 2008 and 2009 reflect the Federal Reserve’s desire to   |  |  |  | | --- | --- | --- | |  | a. | stimulate economic growth. | |  | b. | reduce unemployment. | |  | c. | reduce inflation. | |  | d. | a and b | |  | e. | a, b, and c |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 101. What policies can the government utilize to help stabilize the economy?   |  |  |  | | --- | --- | --- | |  | a. | Price stabilization policy | |  | b. | Monetary policy | |  | c. | Fiscal policy | |  | d. | b and c | |  | e. | a, b, and c |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 102. A strong economy leads to   |  |  |  | | --- | --- | --- | |  | a. | lower inflation. | |  | b. | lower interest rates. | |  | c. | higher employment. | |  | d. | lower productivity. | |  | e. | higher unemployment. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 103. An economy will usually go into a(n) \_\_\_\_\_\_\_\_\_ after a peak.   |  |  |  | | --- | --- | --- | |  | a. | convolution | |  | b. | expansion | |  | c. | contraction | |  | d. | recession | |  | e. | depression |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 104. The financial crisis of 2008 and 2009 is best characterized as a   |  |  |  | | --- | --- | --- | |  | a. | recession. | |  | b. | depression. | |  | c. | downturn. | |  | d. | business trough. | |  | e. | meltdown. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Creating | |

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| **INSTRUCTIONS:** Choose the word or phrase in [ ] which will correctly complete the statement. Select A for the first item, B for the second item, and C if neither item will correctly complete the statement. |

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| 105. The best way to achieve your financial objectives is to [*save every extra dollar you can* | *develop a sound financial plan*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 106. Financial planning [*does* | *does not*] guarantee a sound financial future.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 107. [*Putting money into a retirement fund* | *Buying a car*] would be an example of current consumption.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 108. [*Vacations* | *Education*] would be considered a necessity of life.   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 109. The average [*self employed* | *retired*] household has higher income.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 110. The average American has [*$59,000* | *$81,000*] in retirement accounts.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 111. About [*50%* | *75%*] of married adults share all their money with their mate.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 112. The net total value of all the items an individual owns is known as [*wealth* | *assets*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 113. [*Disney stock* | *Your car*] would be considered a financial asset.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 114. [*A savings account* | *Your car*] would be considered a tangible asset.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 115. [*Money* | *Inflation*] is the common denominator for gauging all financial transactions.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 116. [*Inflation* | *Consumer Price Index*] is the amount of goods and services each dollar buys at a given point in time.   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Creating | |

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| 117. [*Utility* | *Propensity to consume*] refers to the satisfaction you receive from buying certain items.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 118. An adequate emergency fund should last [*2-3 months* | *6-9 months*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 119. Having numerous credit cards can [*improve* | *hurt*] your credit score.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 120. "1 want to accumulate a comfortable retirement fund" [*would* | *would not*] be a specific financial goal.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Applying | |

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| 121. Money can be withdrawn from tax-deferred retirement accounts without penalty beginning at age [*59 1/2* | *62 1/2*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 122. Your level of formal education is a [*controllable* | *noncontrollable*] factor that has a considerable effect on your income.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 123. For most people, debts [*increase constantly* | *increase and then decrease*] during their lifetimes.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 124. When investing, you should try to time the market [*to buy when it's low* | *to sell when it's high*].   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 125. The two principal constraints which government places upon us are regulations and [*tariffs* | *taxes*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 126. The Consumer Price Index is a measure of [*unemployment* | *inflation*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 127. Two key indicators of economic activity in the United States are production levels and [*employment levels* | *cost of living*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 128. The federal government's [*fiscal* | *monetary*] policy is used to stimulate or moderate economic growth.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 129. [*Tax* | *Liability and insurance*] planning is introduced early in the life cycle.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 130. During the expansion phase of the business cycle, the unemployment rate will [*increase* | *decrease*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 131. As the rate of inflation increases, the purchasing power of your dollars will [*increase* | *decrease*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 132. The primary determinant of your standard of living is your [*wealth* | *propensity to consume*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 133. The average American starting a career today can expect to have at least [*seven* | *ten*] jobs during his/her lifetime..   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 134. After reaching adulthood, your financial goals will [*stabilize* | *continue to change*].   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |

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| 135. For most people, employee benefits are of [*little* | *major*] importance.   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 136. Typically, your salary will be [*higher* | *lower*] if you live in a large metropolitan area rather than a small town or rural area.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 137. [*GDP* | *CPI*] is the total of all goods and services produced by workers located within the country.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 138. The average income of household heads increases until age [*55* | *65*] then income starts decreasing.   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-5 - LO: 1-5 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - DISC: Financial Markets and Inte - DISC: Financial Markets and Interest Rates United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 139. The Federal Reserve’s actions after the financial crisis of 2008 and 2009 resulted in [*reduced interest rates | higher interest rates*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 140. The government employs monetary and fiscal policy to help foster a [*fast growing economy | no growth economy*].   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 141. A stronger economy leads to [*higher employment | lower  employment*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Analyzing | |

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| 142. Following an economic trough, the economy will often enter a period of [*expansion | contraction*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Remembering | |

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| 143. The financial crisis of 2008 and 2009 is best characterized as a [*recession | depression*].   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *LEARNING OBJECTIVES:* | PFIN.BILL.17.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - BUSPROG: Reflective Thinking | | *STATE STANDARDS:* | United States - KS - DISC: Investments | | *KEYWORDS:* | Bloom's: Understanding | |