

**Overview**

This event recognizes students, who possess essential knowledge and skills related to financial issues, can analyze the rights and responsibilities of consumers, and apply knowledge to financial situations.

This is an individual objective test.

**Competencies and Task Lists**

<http://www.fbla-pbl.org/docs/ct/FBLA/PERSONALFINANCE.pdf>

**Web Site Resources**

- Business Education Links  
<http://lessonplans.btskinner.com/>
- Growing Your Money  
[http://www.fanniemaefoundation.org/programs/finance\\_tools.shtml](http://www.fanniemaefoundation.org/programs/finance_tools.shtml)
- It's Your Move  
<http://www.thecepe.org/IYM/IYM.htm>
- National Endowment for Financial Education HS Financial Planning Program  
<http://www.nefe.org/pages/educational.html>
- Practical Money Skills  
<http://www.practicalmoneyskills.com/english/teachers/>

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**PERSONAL FINANCE SAMPLE QUESTIONS**

1. The tax on wages, salaries, and self-employed earnings is:
  - a. estate tax
  - b. inheritance tax
  - c. income tax
  - d. luxury tax
2. A retirement plan that is funded at least in part by an employer is referred to as:
  - a. a mentorship program
  - b. an adjusted benefit
  - c. a legal right
  - d. a pension plan
3. A specific expense, such as a medical expense, that can be deducted from adjusted gross income for tax purposes is:
  - a. an allowance
  - b. a charitable contribution
  - c. an itemized deduction
  - d. an exemption
4. A fee collected from most employees to support a federal program that provides old-age, survivors, and disability insurance is commonly referred to as:
  - a. federal insurance corporation fee
  - b. Medicaid
  - c. employees' health insurance
  - d. Social Security tax

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5. Gross income is the amount of income from wages or salary:
    - a. before payroll deductions
    - b. before bonuses are added in
    - c. after payroll deductions
    - d. that the person can actually spend
  6. Which one of the following defines a budget?
    - a. a plan to match expected income with expected outflow
    - b. something that will decrease your wants and needs
    - c. a plan to increase income
    - d. a plan to match spending with saving
  7. A person who buys and uses goods and services is a:
    - a. producer
    - b. consumer
    - c. competitor
    - d. supplier
  8. Saving is:
    - a. setting money aside for long-term goals
    - b. the same thing as investing
    - c. not important if you have a checking account
    - d. what people usually do to meet short-term goals
  9. The ingredients on food labels are listed:
    - a. alphabetically
    - b. by nutritional value, from least to most
    - c. in any order the manufacturer chooses
    - d. by weight, from most to least
  10. When you multiply principal times rate of interest times length of repayment time, the result is:
    - a. simple interest
    - b. principal
    - c. refund
    - d. unearned interest
  11. Which type of communication takes place among employees?
    - a. upward
    - b. downward
    - c. vertical
    - d. horizontal
  12. Personal factors that change your buying patterns include all **except**:
    - a. age
    - b. competition
    - c. lifestyle
    - d. employment status
  13. Jack is married to Susan; they have five dependent children. Jack can legally use which of the following filing income tax status?
    - a. single
    - b. head of household
    - c. qualifying widow
    - d. married filing jointly

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14. The best approach to solving the problem of an annual budget deficit is generally to:
- reduce flexible expenditures
  - sell stock to make up the deficit
  - get a part time job
  - reduce fixed expenses
15. Jane and Manuel have a net worth of \$15,000 and total assets of \$150,000. If their revolving credit balance and unpaid bills total \$3,500, what are their total liabilities?
- \$143,500
  - \$140,000
  - \$135,000
  - \$165,000
16. Municipal bonds have an additional benefit of being:
- tax deferred
  - convertible
  - not rated
  - tax exempt
17. Which one of the following factors has the least influence on personal decisions?
- values
  - peers
  - global market
  - family
18. What is the first step in the financial planning process?
- create a plan
  - monitor and modify
  - set goals
  - analyze information
19. Which one of the following employee benefits would a working parent find most useful?
- Social Security benefits
  - tax-deferred retirement plan
  - parental leave
  - stock options
20. Which one of the following could **not** be called income?
- a paycheck
  - interest received from a savings account
  - an allowance
  - interest paid on a loan
21. You want to buy four new tires before winter. The SMART component in this goal is:
- specific
  - measurable
  - reliable
  - attainable
22. The type of investment that has the highest risk and the highest potential rate of return is
- money market mutual fund
  - savings bonds
  - stocks
  - government bonds

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23. What approximate interest rate would an investor need to earn in order to double the value of an investment in six years?
- 6 percent
  - 10 percent
  - 12 percent
  - 70 percent
24. An advantage of owning a house instead of renting is that you:
- need less money
  - can move easily
  - may have tax advantages
  - do maintenance yourself
25. What is used to add funds to a bank account?
- check
  - deposit slip
  - withdrawal slip
  - signature card
26. Which one of the following types of life insurance does **not** have a cash value?
- limited life
  - term life
  - ordinary life
  - all life insurance policies have a cash value
27. A small food retailer that stocks popular items at higher prices and emphasizes an accessible location and long operating hours is called a:
- convenience store
  - vending machine
  - specialty store
  - supermarket
28. This warranty is imposed by law and is understood to apply even though it has **not** been stated.
- implied warranty
  - guaranteed warranty
  - statutory warranty
  - express warranty
29. In most markets, wages and salaries are determined by:
- what competitors pay
  - commission-based plans
  - local laws
  - small businesses
30. A net worth statement is most commonly used for which one of the following?
- in the event of a tax audit
  - in preparing budgets
  - when applying for a loan or credit
  - as proof of loss in case of fire or theft