
PERSONAL FINANCE

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 online 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/>
- Forbes Finance
<http://www.forbes.com/finance/>
- Practical Money Skills
<http://www.practicalmoneyskills.com/english/teachers/>

PERSONAL FINANCE SAMPLE QUESTIONS

1. What are collective values?
- basic needs for individuals
 - personal preferences
 - things important to society as a whole
 - luxury items desired by individuals

Competency: Financial Principles Related to Personal Decision Making

2. The Federal Trade Commission (FTC) does **not** regulate
- unfair methods of advertising
 - unfair methods of competition
 - deceptive product labeling
 - unfair interest rates

Competency: Financial Principles Related to Personal Decision Making

3. When a family makes major decisions, what should these decisions be based on?
- desired lifestyle
 - each person's needs and wants
 - the amount of income
 - economic projections

Competency: Financial Principles Related to Personal Decision Making

4. Which phrase about money is **false**?

- a. must be backed by gold
- b. must be in a form where it can be readily divisible
- c. is anything that can be used to settle debt
- d. must be durable

Competency: Financial Principles Related to Personal Decision Making

5. Items of value that a person owns should be included on the:

- a. budget
- b. personal property inventory
- c. balance sheet
- d. net worth statement

Competency: Earning a Living

6. Which one of the following is **not** an important financial record to keep?

- a. tax records
- b. net worth statement
- c. income and expense records
- d. Income Statement

Competency: Earning a Living

7. Which one of the following is **not** an initial step when preparing a budget?

- a. create a wish list
- b. set a savings goal
- c. estimate income
- d. estimate expenses

Competency: Earning a Living

8. When completing a tax return, what do you call the amount you may subtract from income for each person who depends on your income to live?

- a. refund
- b. social benefit
- c. exemption
- d. deduction

Competency: Earning a Living

9. A ____ guarantees a product's quality and performance.

- a. warranty
- b. product description
- c. testimony
- d. statement of assurance

Competency: Managing Budgets and Finance

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10. The ___ form is completed by new employees to direct the employer on the quantity of taxes to be removed from each pay check.
- a. 1040EZ
 - b. W-2
 - c. 1040
 - d. W-4

Competency: Managing Budgets and Finance

11. Taxpayers may claim an exemption for each of their:
- a. jobs
 - b. donations
 - c. dependents
 - d. properties

Competency: Managing Budgets and Finance

12. The ___ is the government agency in charge of collecting taxes, enforcing tax laws, and supplying information to help taxpayers prepare their tax returns.
- a. FDIC
 - b. Federal Reserve
 - c. IRS
 - d. U.S. Treasury

Competency: Managing Budgets and Finance

13. The ___ is a good that a store is willing to sell for no profit in order to drive consumer traffic.
- a. consumer influencer
 - b. loss leader
 - c. skim product
 - d. penetration product

Competency: Managing Budgets and Finance

14. The ___ deducts money from a checking account almost immediately to pay for purchases.
- a. check
 - b. debit card
 - c. deposit
 - d. credit card

Competency: Saving and Investing

15. The ___ Rule requires used automobile dealers to fully disclose to buyers what is and is **not** covered under warranty for the used vehicle.
- a. CPSC
 - b. FTC
 - c. BBB
 - d. FCC

Competency: Saving and Investing

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16. Which federal organization spearheaded the recall on eggs sold at supermarkets?
- a. FCC
 - b. FTC
 - c. c FDA
 - d. USDA

Competency: Saving and Investing

17. ____ includes all activities related to production and distribution of goods and services in a geographic area.
- a. Financing
 - b. Distribution
 - c. Marketing
 - d. Financial planning

Competency: Saving and Investing

18. ____ stocks are stocks in corporations that reinvest their profits into the business so that it can grow.
- a. Cyclical
 - b. Blue chip
 - c. Defensive
 - d. Growth

Competency: Buying Goods and Services

19. ____ are paid to stockholders from the corporation's earnings (profits).
- a. Dividends
 - b. Odd lots
 - c. Stock splits
 - d. Round lots

Competency: Buying Goods and Services

20. The ____ tells the investor the risk category that has been assigned to a bond.
- a. bond redemption
 - b. bond efficiency
 - c. bond rating
 - d. bond default

Competency: Buying Goods and Services

21. A(n) ____ risk may result in either gain or loss. Buying gold is an example of this type of risk.
- a. insurable
 - b. personal
 - c. speculative
 - d. economic

Competency: Buying Goods and Services

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22. ____ occurs when an individual buys insurance to cover financial losses caused by fire, theft, injury, or death.
- a. Risk shifting
 - b. Risk avoidance
 - c. Risk reduction
 - d. Risk assumption

Competency: Banking and Insurance

23. The ____ is a provision requiring policyholders to insure their building for a stated percentage of its replacement value in order to receive full reimbursement for a loss.
- a. deductible
 - b. co-insurance clause
 - c. personal property floater
 - d. endorsement

Competency: Banking and Insurance

24. ____ occurs when the policyholder who has suffered an insurable loss is put back in the same financial condition before the loss occurred.
- a. Claim verification
 - b. Indemnification
 - c. Damage assessment
 - d. Speculation

Competency: Banking and Insurance

25. Which form of credit is the least likely to involve installment payments?
- a. education loan
 - b. automobile loan
 - c. department store credit card
 - d. home loan

Competency: Banking and Insurance

26. ____ is an advantage of owning a home.
- a. Tax break
 - b. Mobility
 - c. Minimal maintenance
 - d. Property taxes

Competency: Credit and Debt

27. ____ is **not** a negotiable instrument.
- a. Promissory note
 - b. Bank draft
 - c. Check
 - d. Credit card

Competency: Credit and Debt

28. The ____ prohibits the use of threats, obscenities, and misleading statements to intimidate consumer into paying.

- a. Fair Debt Collection Practices Act
- b. Fair Credit Billing Act
- c. Fair Credit Reporting Act
- d. Consumer Credit Protection Act

Competency: Credit and Debt

29. A ____ occurs when a consumer requests the credit bureaus to deny all access to the consumer's credit information or files.

- a. closed public record
- b. credit restriction
- c. credit freeze
- d. credit guard

Competency: Credit and Debt

30. Consumers who are deep into debt may go to a credit counseling organization that takes over and manages the consumer's payment of the debt for a period of time until the consumer is free of debt. This procedure is called:

- a. debt adjustment
- b. bankruptcy
- c. online credit advice
- d. debt management plan

Competency: Credit and Debt