

## Circle the correct answer



1	The finance charge for using a credit card is usually a higher rate than for using other forms of credit.	True	False
2	Compound interest means you earn interest on your interest as well as on your principal.	True	False
3	Monthly payments that an employer makes to former employees who are in retirement is called 401(k) plan earnings.	True	False
4	If you expect to carry a balance on your credit card, the APR (Annual Percentage Rate) is the most important thing to compare when evaluating credit card offers.	True	False
5	All investment products bought at your bank are covered by FDIC insurance.	True	False
6	Banks usually notify you (via of email or telephone) if you write a check that overdraws your account.	True	False
7	The APR (Annual Percentage Rate) for cash advances is almost twice that of the APR on payment for regular purchases.	True	False
8	If the interest rate on an adjustable rate mortgage goes up, your monthly mortgage payment will also go up.	True	False
9	Mutual funds sometimes pay a guaranteed rate of return.	True	False
10	You could save thousands of dollars in interest cost by choosing a 15-year rather than a 30-year mortgage, but your payments will be higher.	True	False
11	It is not necessary to keep a running balance of your checking account, since you can find your current balance on line or at the ATM at any time.	True	False
12	A low credit score will mean you will pay lower interest rates on borrowed money.	True	False
13	The earlier you start savings for retirement, the less money you will need to invest to reach your desired goal.	True	False
14	Financial experts recommend that mortgage payments, property taxes and homeowners insurance should not be more than 50% of gross income.	True	False
15	You should have an emergency cash fund that covers three to six months of your normal living expenses.	True	False
16	Your credit rating is not affected by how much you charge on your credit card, but is only affected by how timely you make your payments.	True	False
17	Over the long-term, keeping your savings safe in Certificates of Deposit will produce a higher rate of return than a diversified portfolio of stocks and bonds.	True	False
18	The cash value of a life insurance policy is the amount available if you surrender your life insurance policy while you are still alive.	True	False
19	If you are behind on debt payments and go to a credit counseling service, they can get federal monies to apply your income tax refund to pay off your debts.	True	False
20	Whole life insurance has a savings feature while term life insurance does not.	True	False
21	The widespread financial insecurity of Americans is primarily	True	False

	because the saving rate of Americans is low and many borrow in order to spend more than they earn.		
22	If your credit card is stolen and someone uses it before you report it missing, you are only responsible for \$50, no matter how much may be charged on it by others.	True	False
23	If interest rates rise, the market value of a bond will increase.	True	False
24	When shopping for the best mortgage rate, you may compare advertised rates because mortgage lenders are required to provide this rate to all those who apply.	True	False
25	Social Security is calculated in such a way to provide recipients with enough money for a reasonable retirement income.	True	False
26	A life time annuity is an insurance contract that promises regular payments until you die.	True	False
27	Your credit report includes employment data, your payment history, any inquiries made by creditors, and any public record information such as bankruptcies.	True	False
28	The most recent performance of the stock market is important in determining how funds should be invested for retirement.	True	False
29	You do not need to be an expert investor in order to invest retirement funds in the stock and bond markets.	True	False
30	If you have any negative information on your credit report, you need a credit repair agency to help you remove that information.	True	False
31	A 30-year U. S. treasury bond offers protection from rising inflation	True	False
32	Historically, stocks have a higher rate of return than bonds over the long term.	True	False