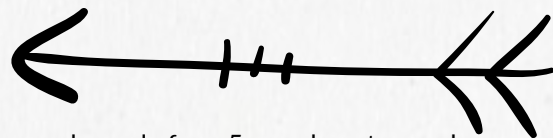


BOOK 3 Final Assessment Quiz



- You would like to put more money into your savings account each month. Which of the following would NOT be a financially sound strategy?
 - Consolidate your debt so that you can pay less per month.
 - Reduce credit card payments to the minimum each month.
 - Find ways to reduce spending on needs, such as negotiating for lower insurance premiums.
 - Cancel your gym membership and purchase a bike instead.
- You are having trouble keeping up with your monthly bills. You should:
 - Apply for a consolidation loan.
 - File for bankruptcy.
 - Hire a debt settlement company to help you make a plan for reducing your debt.
 - Contact your lenders and let them know you are having a hard time paying.
- Which of the following would negatively impact your credit score?
 - An increasing amount of debt each month
 - A history of paying your bills on time every month
 - A new job
 - Expensive hobbies
- When shopping for a loan, you should ask:
 - Whether the interest rate is fixed or variable
 - If there are penalties for early repayment
 - How frequently the interest is compounded
 - All of the above
- You are buying your first home and budgeting for a mortgage. Your monthly payment will be based on the cost of the home and:
 - Your down payment
 - Your credit score
 - Length of the loan
 - All of the above
- Two people apply for a 5-year loan to purchase a new car for \$15,000. Person A has a credit score of 745, and Person B has a credit score of 600. Which customer is likely to have a higher interest rate and insurance costs?
 - Person A
 - Person B
 - They will have the same interest rate and insurance costs.
 - Person B will have a lower interest rate, but insurance will be the same.
- You're ready to trade in your old vehicle, but you're not sure if you want to finance a used car or lease a new car. A lease makes more financial sense if:
 - You have a long commute to work.
 - You can do most of the repairs yourself.
 - You like to always have the latest tech and luxuries.
 - You want to save money on insurance.
- Insurance is based on the principle of probability – insurance companies measure the probability you will need to make a claim. A high probability means higher premiums, a low probability means lower premiums. Who do you think will have the lowest premium on a life insurance policy?
 - Person A is 100 pounds overweight, and smokes cigarettes.
 - Person B is 26, and runs 10 miles a day.
 - Person C is generally healthy and works in construction, typically on high-rise scaffolding.
 - Person D is 75 and has a chronic illness.
- You are shopping for insurance for your family. Which of the following is not required by law, but is critical, particularly for parents?
 - Auto insurance
 - Life insurance
 - Mortgage insurance
 - Homeowner's insurance
- You are shopping for a mortgage and choosing between a 30-year fixed, a 30-year adjustable, and a 15-year fixed. The 15-year is best if you want:
 - To build equity quickly
 - Lower monthly payments to start
 - Lower monthly payments for the life of the loan
 - Steady payments to make it easier to budget

