CHAPTER 10

Money

Multiple Choice

1. According to the text, the three paths to financial freedom include all of the following except
   a. taking action and using the strategies for earning more money or spending less, or both.
   b. taking advantage of credit card offers that you receive with the rest of your junk mail.
   c. committing to spending no more money than you have (or less than you have).
   d. telling the truth about how much money you have and how much you spend.

2. The Money Monitor/Money Plan is an opportunity to discover how
   a. to make money.
   b. money flows in and out of your life.
   c. to save more money
   d. to spend more money.

3. In addition to earning money the benefits to working while in school include
   a. gaining experience.
   b. establishing references.
   c. expanding your contacts.
   d. All of these.

4. The https:// in a URL is
   a. an indication that the site has significant encryption technology to protect your financial information.
   b. an indication that the site is a source of silly jokes.
   c. an indication that this site should be avoided as unsafe.
   d. an indication that the site is part of a socially conscious organization.

5. According to the textbook a strategy for spending less money is
   a. observing your purchases of small ticket items because they can add up.
   b. paying for your purchases using credit cards so that you will have more cash available.
   c. never wasting time comparison shopping because you can spend that time working more.
   d. going out to dinner and therefore not using your home/apartment utilities.

6. Your credit rating score can determine
   a. job prospects.
   b. insurance rates.
   c. credit interest rates.
   d. All of these.

7. If you cannot pay off your credit card balance at the end of the cycle
   a. you are spending more than you earn.
   b. you are in debt.
   c. you are incurring excessive interest costs.
   d. All of these.

8. Among the ways to protect (raise) your credit score is/are
   a. to pay off the balance every month.
b. to pay on time.
c. to stay within the credit card limit.
d. All of these.

9. One of the downsides of credit cards is that
   a. they are small and easily lost.
   b. they can help you establish credit.
   c. their interest rates are always very, very high.
   d. they can leave you with a debt load that may take decades to pay off.

10. Studies show that obtaining higher levels of education is associated with
    a. increased stress and a higher risk of heart attack.
    b. increased debt load.
    c. lower levels of unemployment, incarceration, and smoking.
    d. driving fuel efficient cars and working for nonprofit foundations.

11. The Power Process: “Risk being a fool”
    a. suggests that playing the role of a clown will lower your risk of heart attack.
    b. suggests that taking risks may mean failure, but it can also add to your life experiences.
    c. tells us that being foolish is too great a risk to chance, so always take it cautiously.
    d. tells us that as long as you smile you cannot be held responsible for what your actions cause.

12. Strategies for taking control of your credit cards include all of the following except
    a. taking advantage of cash advance offers.
    b. checking statements against your receipts and records.
    c. using just one credit card.
    d. scrutinizing credit card offers carefully.

13. Money management tools can include
    a. spreadsheet software.
    b. paper-based filing systems.
    c. web-based applications.
    d. all of the above.

14. According to the textbook, ways to increase your income include all of the following except
    a. focusing on your education.
    b. working while you are in school.
    c. cutting classes so that you can make extra money.
    d. doing your best at every job.

15. Solving financial problems in ways that protect you for the future include
    a. lying to creditors about your situation.
    b. continuing to overspend and thus spend your way out of the problem.
    c. seeking credit counseling and help you can trust, e.g. from the National Foundation for Credit Counseling.
    d. think about and plan your finances in general terms, avoiding specifics.

16. Actions which can help you survive tough times include
    a. doing stellar work at your current job.
    b. postponing health insurance until you can better afford it.
    c. investing, and then saving.
d. maintaining a credit card balance.

True/False

17. Student loans from private companies always are available at lower interest rates than those sponsored by the Federal Government.

18. Some programs allow you to create a chart with rows and columns, applying various formulas. The resulting chart is called a spreadsheet.

19. Most money problems result from spending more than you make.

20. Health insurance is only necessary for those with sizeable assets and poor health.

21. Student discounts can be a useful part of a plan to spend less.

22. Discovery and Intention, along with the ability to add and subtract, give you the necessary tools to manage your money.

23. The Money Monitor/Money Plan System is the same as a household budget.

24. When the economic landscape is filled with more downs than ups, the smart student realizes that they might as well give up and put their educational goals aside.

25. You can use notebooks and folders to organize your finances, much as you would your coursework.

26. Watching what you spend on “fun” and checking your monthly phone bill can both help you spend less and thus save more.

Completion

27. Debt __________ can offer you schemes to wipe out your debt, but using them can actually lower your credit rating.

28. Your __________ score is based on a number of factors, including your use of credit cards, late payments, outstanding balances, loans and credit history length.

29. The __________, abbreviated APR, is the interest you owe on unpaid balances.

30. The __________ the number of your credit score the better your credit rating.

31. The __________ period is when no interest is charged, but it only applies when balances are paid in full each month.

Short Answer

32. Describe how you can be more secure about money matters online.

33. Higher education can be expensive, but it can be paid for. Describe some of the strategies available.