Your final exam will consist of 140 questions. There are around 40 questions from the Credit/Debt unit, and around 8-9 questions from each of the other 5 units of the class. The remaining 55 are Comprehensive Vocabulary and have been pulled from the entire semester. The test will be worth around 15-20% of your course grade.

You will turn this study guide in for points!

Good Luck and Study Hard!

Money & Banking Unit
1. What are the 5 characteristics of money?
   1.
   2.
   3.
   4.
   5.
2. What are the components of the Federal Reserve?
3. What are the three functions of money?
   1.
   2.
   3.

Insurance Unit
1. What is the difference between Term and Whole life insurance?
2. Which type of life insurance is the better buy?
3. What does each section the liability limits of 25/50/25 mean?
4. What does Automotive Liability insurance cover in the event of an accident?
5. What 2 types of auto insurance are required by law in the state of Missouri?
6. What does health insurance cover?
7. What is the relationship between the cost of your auto insurance premiums and deductible?
8. What types of damage is not typically covered in a standard homeowner’s insurance policy?
9. What are some factors that influence the cost of your auto insurance?
**Earning & Spending Unit**

1. What are the Mandatory Deductions that are taken from your paycheck?

2. What are some of the Optional Deductions that employers hold out of your paycheck?

3. How does your employer decide how much tax to withhold from your check? *(Hint: You tell them!)*

4. What is the relationship between the amount of money they withhold and the number of people depending on that check?

5. When must you receive your w-2 form from your employer?

6. What is the relationship between amount of education and total earnings over the course of your lifetime?

7. What is the difference between Net Pay and Gross Pay?

**Consumer Awareness Unit**

1. What are the 5 steps in the buying process, in the correct order?
   1. 
   2. 
   3. 
   4. 
   5.

2. List and explain the 3 types of Internal & External buying motives
   - Internal
     1. 
     2. 
     3. 
   - External
     1. 
     2. 
     3.

3. Is it a good idea to carry your Social Security card in your purse/wallet? Why or why not?

4. What is the federal government agency that protects consumers against fraud?
5. Explain a Pyramid Scheme.

6. What is the most common purchase that people make with money stolen from someone else?

**Saving & Investing Unit**

1. Summarize each of the 3 types of retirement savings accounts — *age requirements, income requirements, when to use, etc.*
   1. Traditional IRA:
   2. Roth IRA:
   3. 401k:

2. Is it ever a good idea to borrow money from your 401k for other expenses prior to retirement? Why or why not?

3. What is the difference between Simple and Compound Interest?

4. List, define, and be able to give an example of the advantages/disadvantages of the 8 types of Investments that we discussed in class.
   1. Advantage:
      - Disadvantage:
      - What affects it’s level of risk?
   2. Advantage:
      - Disadvantage:
      - What affects it’s level of risk?
   3. Advantage:
      - Disadvantage:
      - What affects it’s level of risk?
   4. Advantage:
      - Disadvantage:
      - What affects it’s level of risk?
5. 
- Advantage: 
- Disadvantage: 
- What affects it’s level of risk?

6. 
- Advantage: 
- Disadvantage: 
- What affects it’s level of risk?

7. 
- Advantage: 
- Disadvantage: 
- What affects it’s level of risk?

8. 
- Advantage: 
- Disadvantage: 
- What affects it’s level of risk?

Credit & Debt Unit
1. What are the 15 credit myths? Why are they true or false?
   1.
   2.
   3.
   4.
   5.
   6.
   7.
   8.
   9.
   10.
   11.
   12.
   13.
   14.
4. What are the 5 C’s of Credit, and how do they influence whether or not a person is able to get credit?
   1.
   2.
   3.
   4.
   5.

5. What are the 4 forms of credit? *Be able to define and know the components / advantages / disadvantages of each one.*
   1.
   2.
   3.
   4.

6. What items are included in a typical mortgage payment?

7. What is PMI? How long do you have to include it in your monthly mortgage payment?

8. The 2 types of bankruptcy that we discussed in class are Chapter ____ and Chapter ____. How long does a bankruptcy stay on your credit record? How often can you file for each type of bankruptcy?

9. What are the 2 reasons we discussed in class that people file for bankruptcy?

10. What does APR stand for, and what does it represent?

11. From the “Maxed Out” video, what was did the term *debt surfing* mean?

12. From the “Maxed Out” video, who are the most popular customers for credit card companies, and why?

13. What group do credit card companies spend the most to recruit?
**Comprehensive Vocabulary**

1. Be able to define and explain each of the following key terms from Personal Finance.

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<th>Term</th>
<th>Definition</th>
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