


Name: \_\_\_\_\_

## (6) QUICK QUIZ

Instructions: This is not a test...I know, I know, it looks like a test, but it will not be graded or scored and there is no passing or failing grade. It is simply a tool to help us identify where you might benefit from more information.

Read each question, and answer the ones that you think you know. This is Ivan  circle him when you are not sure you know the answer to the question. DON'T GUESS - you will cheat yourself of the chance to review a topic you might really need in the future.



1. Give your personal definition of credit and explain how it is different from debt.

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2. What are the first 2 questions you should ask yourself BEFORE taking out a loan or using credit to purchase something?

1) \_\_\_\_\_ 2) \_\_\_\_\_



3. Most experts say that you should not spend more than \_\_\_\_\_% of your take home pay on credit payments (not including mortgage).



4. Which of the following can a creditor legally consider when deciding whether or not to give you credit? (Check ALL that apply)

- Whether or not you have ever used credit in the past
- The number of credit cards you already have
- Your race
- Debts your ex-spouse ran up on credit cards issued in both your names



5. What is the single most important thing you can do to establish good credit?

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6. What are the top 3 things to consider when comparing credit or loan offers?

1) \_\_\_\_\_  
2) \_\_\_\_\_  
3) \_\_\_\_\_



7. When comparing interest rates, what is the most important figure to consider?

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8. John is considering a \$1200 loan to repair his garage. He has loan offers from 2 banks. Bank A is offering 5% interest rate over 2 years. Bank B is offering 6.5% over 12 months. John will have higher monthly payments with Bank \_\_\_\_'s loan. John will end up paying more for the loan by taking Bank \_\_\_\_'s offer.



9. Sally has decided to buy a television from TV Land because they are offering her a deal where she will pay no interest for 1 year. If Sally does not pay off the original cost of the television in 1 year, which of the following is most likely to happen? (Choose 1 answer).

- Sally will owe the remaining cost of the television + ALL the interest from the date of purchase.
- Sally will owe the remaining cost of the television + the interest on the remaining cost.



10. Sheila borrowed \$1,500 to buy a computer at a 12% interest rate for 2 years. Her monthly loan payment will be \$70.61. After the two years, how much will she have spent for the computer? (Choose 1 answer).

- \$1500
- \$1680
- \$1694.65



11. Which of the following could happen if you failed to meet the terms of your car loan? (Check ALL that apply)

- Your car could be repossessed
- Your ability to get other credit could be damaged
- You could have to pay late fees



12. What is a credit score? \_\_\_\_\_  
\_\_\_\_\_



13. If your credit score is low, what might happen? (Check all that apply).

- You may not qualify for a loan
- You may be charged a higher interest rate on loans or credit accounts
- Your car insurance policy may not be renewed.



14. Which of the following could get a copy of your credit report? (Check all that apply)

- Employers you are trying to get a job with
- Landlords you are trying to lease an apartment from
- Car dealers you are trying to lease a car from
- Department stores you are trying to get a charge card from



15. Rank the following factors according to how important they are in calculating your credit score with 1 being the MOST important and 5 being the LEAST important.

- \_\_\_ What types of credit you are using
- \_\_\_ How long you have used credit
- \_\_\_ How many potential creditors or lenders have requested your credit information
- \_\_\_ Your history of how you have paid your accounts
- \_\_\_ How much of your available credit you are using



16. Which of the following might be included on a credit report? (Check ALL that apply)

- Date of birth
- Previous addresses
- Bankruptcy from 15 years ago
- A collection account from 6 years ago
- A wage garnishment from 5 years ago
- Other creditors who have requested the credit report



17. True or False: Companies that offer credit repair services can get late payments you made removed from your credit report. Circle one: True False.



18. List 2 things you can do to protect yourself against credit fraud?

- 1) \_\_\_\_\_ 2) \_\_\_\_\_



19. Which of the following would count as income? (Check ALL that apply)

- Wages from a part-time job
- Tips
- Interest earned on a savings account
- Alimony payments
- Money won in a lottery



20. Jerry makes \$10 per hour and works 35 hours a week with no overtime. He is paid every two weeks and has \$100 deducted from each paycheck for taxes, retirement, etc.

What is Jerry's gross monthly income? \$\_\_\_\_\_

What is Jerry's net hourly payrate? \$\_\_\_\_\_




21. True or False: The more allowances you claim on your W-4 form, the more Federal Income tax you will have withheld from your paycheck. Circle one: True False.





22. Carol is trying to save for a down payment on a house. She set a goal of saving \$200 each month, but has not been able to meet her monthly goal once in the last 4 months. What could Carol do to that would help her meet her savings goal?

\_\_\_\_\_


 23. Don has just gotten a job where he earns a \$272 paycheck every week, and he has 11 bills he must pay each month. At PayQwik he can cash his paycheck for 1.5% of the total and get enough free money orders to pay all his bills. At Local Bank he could open a checking account that has no minimum balance, but charges \$1.00 per check. Which option is the most expensive option?


- PayQwik                       Local Bank

 24. True or False: All products and services available from banks are 100% insured by the government. Circle one: True False.


 25. List 2 benefits of having a checking account.


1) \_\_\_\_\_ 2) \_\_\_\_\_


 26. True or False: If you are using a debit card, you can never take out more money than you have in your account? Circle one: True False.

 27. You have been involved in a car accident where you are at fault, and you carry the minimum liability insurance required by the State. Which ONE of the following statements best describes what you will have to pay?

- Your insurance will pay to have both cars repaired.  
 Your insurance will pay for repairs to the other driver's car and you will have to pay for any repairs to your car.  
 Your insurance will pay to have your car repaired and the other driver's insurance will pay to have their car repaired.

 28. True or False: Driving a car without car insurance is punishable by a fine. Circle one: True False.

 29. True or False: Most Americans will be able to afford their pre-retirement lifestyle on what they will get from Social Security? Circle one: True False.

 30. True or False: Using a savings account is an effective way to save money for retirement? Circle one: True False.