

Name: _____ Date: _____

Your Financial Future Junior Quiz

Junior level students identify essential building blocks for wealth accumulation including interest calculation, risk management, and smart borrowing habits.

1. Which of these is defined as the 'opportunity cost' of spending \$100 on a new pair of shoes today?

- A. The sales tax paid on the shoes at the register
- B. The \$100 plus potential interest those funds could have earned in a savings account
- C. The brand name recognition of the shoes
- D. The physical space the shoes take up in a closet

2. True or False: A standard savings account usually offers a higher interest rate than a long-term Certificate of Deposit (CD).

- A. True
- B. False

3. The _____ is a legal document that outlines the terms, interest rates, and repayment schedule for a student loan.

- A. W-2 Form
- B. Promissory Note
- C. Credit Report
- D. Insurance Premium

4. If you are 'underwater' or have 'negative equity' on a car loan, it means:

- A. You have paid off the loan ahead of schedule
- B. You owe more on the loan than the car is currently worth
- C. You are using the car for a ride-sharing service
- D. Your interest rate is lower than the inflation rate

5. True or False: Diversification in an investment portfolio is intended to reduce risk by spreading money across different types of assets.

- A. True
- B. False

6. The _____ is the yearly cost of borrowing money, including fees and interest, expressed as a percentage.

- A. FICO Score
- B. Gross Income
- C. Annual Percentage Rate (APR)
- D. Net Worth

Name: _____ Date: _____

7. Which of the following would likely have the biggest positive impact on your credit score?

- A. Closing your oldest credit card account
- B. Making all bill payments on time, every time
- C. Applying for five new credit cards in one month
- D. Carrying a balance that is 90% of your credit limit

8. A _____ is a type of investment that represents partial ownership in a specific corporation.

- A. Bond
- B. Mutual Fund
- C. Stock
- D. Liability

9. True or False: Your 'Net Pay' is the amount of money you actually take home after taxes and deductions are removed from your 'Gross Pay'.

- A. True
- B. False

10. Which financial tool is primarily designed to protect you against large, unexpected financial losses like a car accident or house fire?

- A. A High-Yield Savings Account
- B. An Insurance Policy
- C. A Debit Card
- D. A Payroll Deduction