

Name: _____ Date: _____

Opportunity Costs and Compound Growth: 4th Grade Finance Quiz

Evaluate 10 complex financial scenarios where students must calculate trade-offs and analyze how interest impacts long-term wealth building.

1. Maya has \$50. She can buy a new science kit today or put the money in a Certificate of Deposit (CD) that pays interest. If she chooses the science kit, what is her 'opportunity cost'?

- A. The \$50 she spent on the kit
- B. The science experiments she will perform
- C. The extra interest money she would have earned later
- D. The sales tax she paid at the store

2. If a city builds a new public park, the 'opportunity cost' could be the new library they can no longer afford to build with that same money.

- A. True
- B. False

3. An investor buys 'shares' of a company called TechGiant. If TechGiant makes a profit and shares some of it with the investor, this payment is called a _____.

- A. Premium
- B. Dividend
- C. Liability
- D. Expense

4. Which of these scenarios demonstrates 'Compound Interest' most effectively?

- A. Earning money by walking the neighbor's dog twice a week
- B. Finding a five-dollar bill on the sidewalk and saving it
- C. Earning interest on your initial savings plus interest on the interest already earned
- D. Buying a toy at a discount and selling it for the original price

5. When a bank lends money for a house, they charge a fee called _____, which is a percentage of the total loan amount.

- A. Interest
- B. Credit Score
- C. Principal
- D. Collateral

6. Leo wants to start a business. He needs a 'Capital Investment.' Which of these is an example of capital for a lemonade stand?

- A. The time Leo spends making the sign
- B. The wooden stand and the electric juicer

Name: _____ **Date:** _____

- C. The sour taste of the lemons
- D. The name of his business

7. A person with a 'Low Risk Tolerance' would likely put most of their money into start-up companies rather than a government-backed savings account.

- A. True
- B. False

8. If the 'Supply' of a rare collectible card suddenly increases because a hidden warehouse was found, what usually happens to the 'Market Value' (price) of that card?

- A. The price goes up because more people can buy it
- B. The price stays exactly the same
- C. The price goes down because it is no longer as rare
- D. The price disappears

9. To protect against financial loss from an accident or illness, people pay a monthly _____ to an insurance company.

- A. Deductible
- B. Premium
- C. Grant
- D. Debt

10. Diversification means putting all of your investment money into one single high-performing stock to maximize your profits.

- A. True
- B. False