

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

## Answer Key: A Blueprint for Your First Paycheck: 9th Grade Finance Quiz

Calculate net pay from gross income and differentiate between fixed and variable expenses to build a sustainable primary budget.

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**1. Imagine you earn \$500 from a summer job, but your paycheck is only \$425 after taxes. What is the \$500 amount called?**

**Answer:** B) Gross Pay

Gross pay is the total amount earned before any deductions like taxes or social security are taken out.

**2. A monthly subscription to a streaming service like Netflix is considered a variable expense because the content changes every month.**

**Answer:** B) False

Even if the content changes, the cost remains the same every month, making it a fixed expense rather than a variable one.

**3. When you put money into a \_\_\_\_\_, you are keeping it in a safe place specifically for short-term goals or unexpected emergencies.**

**Answer:** B) Savings Account

Savings accounts are liquid and low-risk, making them the standard tool for short-term goals and emergency funds.

**4. Which of these is the best example of 'Pay Yourself First'?**

**Answer:** C) Putting \$25 into savings before spending any of your paycheck

Paying yourself first means prioritizing your future self by treating savings like a mandatory bill that is paid before any other spending.

**5. Interest is the 'price' or cost of borrowing money from a lender.**

**Answer:** A) True

Interest is the additional amount you pay back to a lender in exchange for the privilege of using their money.

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**6. A(n) \_\_\_\_\_ is a written plan that tracks the flow of money coming in versus money going out.**

**Answer:** C) Budget

A budget is the fundamental tool used to ensure your expenses do not exceed your income.

**7. If you use a debit card to buy a \$5 smoothie, where does that money come from?**

**Answer:** B) Your checking account balance

Debit cards withdraw money directly and immediately from your personal checking account.

**8. Money spent on 'wants' rather than 'needs' (like going to the movies) is often called \_\_\_\_\_.**

**Answer:** B) Discretionary Spending

Discretionary spending refers to non-essential purchases that you choose to make after your needs are met.

**9. You can avoid paying interest on a credit card by paying the full balance every month before the due date.**

**Answer:** A) True

Most credit cards have a grace period; if you pay the entire balance, no interest is charged on your purchases.

**10. Which of these would be considered a 'need' for most 9th graders rather than a 'want'?**

**Answer:** C) Basic school supplies like notebooks and pens

Needs are items required for health, safety, or functional daily life (like education), whereas wants are items that provide entertainment or status.