

Name: _____ Date: _____

Answer Key: Your Neighborhood Marketplace: 2nd Grade Capital Allocation Quiz

Solve multi-step banking and trade scenarios to apply complex reasoning toward earning, spending, and opportunity costs in a classroom setting.

1. You have 10 silver tokens. A new sketchbook costs 7 tokens, and a box of paints costs 5 tokens. If you buy the sketchbook, what is the 'opportunity cost' regarding the paints?

Answer: B) The chance to use the paints right now.

Opportunity cost is the specific thing you give up (the paints) when you choose to buy something else (the sketchbook).

2. Imagine you earn 5 stickers every week for chores. If you spend 2 stickers on a snack and save the rest, after 3 weeks you will have ____ stickers in your savings container.

Answer: C) 9 stickers

You save 3 stickers per week (5 minus 2). Over 3 weeks, that is $3 + 3 + 3$, which equals 9 stickers.

3. If a bank pays you 'interest,' it means they are taking a small fee out of your account every month for holding your money.

Answer: B) False

Interest is actually extra money the bank pays YOU for keeping your savings with them.

4. Lila wants to start a lemonade stand. She needs \$10 for lemons, but she only has \$2. She decides to work for her neighbor to earn the rest. This plan is an example of:

Answer: B) Delayed gratification to reach a goal.

By working and waiting to get what she wants instead of buying something small now, Lila is practicing delayed gratification.

5. Marcus has a budget. He lists his 'Needs' and his 'Wants.' Which of these belongs in the 'Needs' category for a 2nd grader's school day?

Answer: B) A nutritious lunch to have energy

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Needs are things required for survival or to perform important tasks, like a healthy meal for school.

6. A person can have a high 'human capital' if they practice a skill, like playing the piano or learning to code, which helps them earn more later.

Answer: A) True

Human capital refers to the skills, knowledge, and experience possessed by an individual.

7. The local toy store has only one 'Super-Bot' left, but five children want to buy it. What will likely happen to the price of the Super-Bot?

Answer: C) The price may go up because many people want it.

When demand is high but supply is low, the price of an item usually increases.

8. Sarah finds a high-quality used bike for \$20. A brand new bike costs \$80. If she buys the used bike and saves the difference, she has saved ____ dollars.

Answer: C) \$60

\$80 minus \$20 equals \$60. Choosing the lower-cost option allows her to put the rest in savings.

9. If you use a credit card to buy a toy today, you are using your own saved money immediately at the moment you swipe the card.

Answer: B) False

A credit card is a loan. You are borrowing money from a bank that you must pay back later, often with extra fees.

10. Why is it important to have a 'Diversified' piggy bank (saving in different places or for different things)?

Answer: A) So that if you lose one coin, you still have others safe.

Diversification or spreading your money out reduces the risk of losing everything at once.