

Question 1

A loan based on the difference between the appraised value of your house and the balance due on your mortgage is called a(n) _____ loan.

Answer: <https://biology-forums.com/index.php?topic=396452>

Question 2

Historical credit problems remain on a credit bureau's report for _____ years while a bankruptcy remains for _____ years.

A) ten; twenty B) five; ten C) eight; fifteen D) seven; ten

Answer: <https://biology-forums.com/index.php?topic=396281>

Question 3

Common stock is not

A) given voting rights. B) guaranteed a dividend.
C) riskier than preferred stock. D) issued by every firm that issues stock.

Answer: <https://biology-forums.com/index.php?topic=396762>

Question 4

If you purchase 100 shares of Ajax Corporation for \$15 a share and one year later sell it for \$20 a share, what was your return if the stock paid \$2 per share dividends? (Ignore commissions and trading fees. Round to the nearest whole percent.)

A) 10% B) 33% C) 40% D) 47%

Answer: <https://biology-forums.com/index.php?topic=396787>

Question 5

After your financial plan is developed it should be

A) reviewed every five years. B) locked in a safe for keeping so it isn't stolen.
C) monitored and updated annually. D) sold to others.

Answer: <https://biology-forums.com/index.php?topic=395886>

Question 6

In a portfolio, stocks and bonds are

A) not highly correlated. B) different in risk and return.
C) highly correlated. D) A and B

Answer: <https://biology-forums.com/index.php?topic=397086>

Question 7

The Identity Theft and Assumption Deterrence Act has designated which federal agency as the central clearinghouse for all identity theft complaints?

A) FBI B) WPA C) FTC D) CIA

Answer: <https://biology-forums.com/index.php?topic=396313>

Question 8

Which of the following bond mutual funds has both the highest default risk and interest rate risk?

A) Short-term corporate B) Long-term Treasury
C) Long-term high-yield D) Short-term Ginnie Mae

Answer: <https://biology-forums.com/index.php?topic=397033>

Question 9

A tax-free gift of up to _____ per year can be given to another person.

A) \$20,000 B) \$13,000 C) \$1,000 D) \$5,000

Answer: <https://biology-forums.com/index.php?topic=397245>

Question 10

If you are a high-income individual, you should not invest in

A) stocks that pay cash dividends. B) global mutual funds.
C) growth stocks. D) municipal bonds.

Answer: <https://biology-forums.com/index.php?topic=397281>

Question 11

The purchase and sale of Treasury bills before their maturity takes place in the _____ with the assistance of a brokerage firm.

Answer: <https://biology-forums.com/index.php?topic=396236>

Question 12

If you have \$5,000 to invest but will need to use the funds in three years to buy a home, you should

- A) buy a one-year CD.
- B) invest in a diversified stock mutual fund.
- C) put the money in a money market savings account.
- D) buy a stock of relatively stable firms that have low risk.

Answer: <https://biology-forums.com/index.php?topic=396817>

Question 13

If you do not budget for unexpected expenses in a given month, you will likely experience a(n)

- A) cash shortage.
- B) cash surplus.
- C) decrease in liabilities.
- D) increase in assets.

Answer: <https://biology-forums.com/index.php?topic=395907>

Question 14

Which of the following is not covered by renter's insurance?

- A) Medical expenses for injuries to visitors
- B) Cost of legal action due to personal liability claims
- C) Replacement of personal items such as clothing
- D) Fire damage to the building's roof

Answer: <https://biology-forums.com/index.php?topic=396607>

Question 15

The _____ is the return that is guaranteed on an investment for a specified period of time.

Answer: <https://biology-forums.com/index.php?topic=396163>

Question 16

All of the following are reasons to avoid payday loans except

- A) the use of payday loans can create a continual cycle of borrowing.
- B) you don't want to pay interest on your credit card that charges an annual rate of 18%.
- C) the cost of financing with a payday loan is exorbitant.
- D) you may still not have sufficient cash after covering the loan.

Answer: <https://biology-forums.com/index.php?topic=396453>

Question 17

The term structure of interest rates is measured by a(n) _____, which shows the interest rate offered at each maturity level.

- A) economist
- B) index
- C) graph
- D) yield curve

Answer: <https://biology-forums.com/index.php?topic=396166>

Question 18

A stock mutual fund's prospectus typically states that the fund is subject to all of the following risks except

- A) default risk.
- B) general decline in the stock market.
- C) substantial declines in individual stocks.
- D) market risk.

Answer: <https://biology-forums.com/index.php?topic=397050>

Question 19

What are four types of financial investment balances that you should monitor?

Answer: <https://biology-forums.com/index.php?topic=397310>

Question 20

Key documents for managing personal financing include all but

- A) mortgage loan agreement.
- B) credit card balances.
- C) personal loans, such as automobile loans.
- D) retirement account balances.

Answer: <https://biology-forums.com/index.php?topic=397309>