

# On Your Own

## End of Course Exam

### Decision Making

1. Using the 5 step decision making process, identify a goal or problem and use the process to come to a final decision. Each step should be clearly labeled and explained.
2. List and explain 5 factors that can influence a decision.
3. List and explain 2 risks associated with decision making.

### Making Money

4. What steps should be taken to prepare for a job interview?
5. Define each term:
  - o Federal Income Tax (FIT). What factors change the amount that is deducted from an employees check?
  - o Federal Insurance Compensation Act (FICA). How much is your employer required to pay?
  - o State Income Tax (SIT).
  - o State Disability Insurance (SDI). What is the purpose for this deduction?
  - o Gross pay
  - o Net pay
6. What is Worker's Compensation? When is an employee entitled to these funds?
7. Identify the main differences between a Form 1040EZ, Form 1040A, and Form 1040.
8. Which of the 3 tax forms listed in question 7 would a married male, earning \$60,000 per year, with itemized deductions use?

### Budgeting:

9. Identify and define 3 possible sources of income.
10. What are 5 reasons to budget?
11. What is a fixed expense? Give 3 examples of a fixed expense.
12. What are flexible expenses? Give 3 examples of flexible expenses.

### **Renting an apartment or buying a home:**

13. Define:
  - o Lease/rental agreement
  - o Term of a lease
  - o Default
  - o Security deposit
  - o Mortgage
14. What is the difference between a conventional mortgage and an adjustable rate mortgage?
15. Identify and explain the factors that determine the selling price of a home?

### **Banking Services:**

16. Reconcile a checking account: Complete the attached worksheet titled "Reconciling and Account."

### **Credit:**

17. List and explain 3 advantages and 3 disadvantages to having credit.
18. What is the main purpose for the Fair Credit Reporting Act of 1970?
19. Define and give an example for each of the following terms:
  - o Capital
  - o Noninstallment credit
  - o Regular installment credit
  - o Revolving credit
  - o Single payment credit

- o Annual Percentage Rate (APR)

20. What information does "the 20-10 rule" tell an individual about what she/he can spend?
21. If you made \$36,000 per year, what is your safe debt load?
22. Based on an income of \$36,000 per year, what is the maximum total monthly debt payments you could afford to pay?
23. What is a credit report? What information does it contain? How do you obtain a copy of your credit report?

### **Cars and Loans:**

24. What is a "blue book" and what information does it provide?
25. Define the following terms:
  - o As-is warranty
  - o Implied warranty
  - o Dealer warranty
  - o Manufacturer's warranty
  - o Depreciation
26. Formula for a loan estimate is:  $\$ \times \text{APR} \times \# \text{ of years divided by months}$ . Estimate the total cost of an auto loan: You are borrowing \$10,000 at 10% interest for 5 years. What will be the estimated monthly payment?
27. What type of auto insurance does the State of California require?