



## FINANCIAL LITERACY QUIZ

### 1. Being on a budget means:

- a. You pay bills every month at the due date
- b. You made a plan of your expenses to be less than or equal to your income
- c. You are earning enough money to be able to live well
- d. Your bills are generally paid by every due date

### 2. How often can you get a free credit report?

- a. Once a year
- b. Once every 6 months
- c. Once every 2 years
- d. You can't get a free credit report

### 3. Where could you get a free credit report with no annual fees?

- a. Annualcreditreport.com
- b. Freecreditreport.com
- c. From the U.S. Department of Finance
- d. You can't get a free credit report

### 4. What is considered an excellent credit score?

- a. 700 to 850
- b. 500 to 560
- c. 561 to 600
- d. 1000 to 1500

### 5. What is *not* a method to improve your credit score?

- a. Pay all your bills on time
- b. Maintain your older credit cards
- c. Keep your credit card balances under 30% of your credit limit
- d. Always pay in cash and do not get any credit cards

### 6. Your credit score is important because:

- a. It can affect your interest rate if you finance a car or home
- b. It can have an impact on whether you can finance major purchases
- c. It can determine whether you can get credit cards
- d. All of the above

**7. Which is a method to fund your college education?**

- a. Apply for financial aid using the FAFSA and TAP applications
- b. Seek out less expensive college alternatives
- c. Seek out college scholarships
- d. All of the above

**8. An example of a need is:**

- a. A Florida vacation
- b. A car
- c. Room and board
- d. A laptop

**9. I bought my first car and got a loan to pay for it. If I default on my loan, only this lender will know about it and if I need another loan, I'll be able to get it from another lender.**

- a. True
- b. False

**10. It's ok to skip payments on your bills some months, as long as you pay the next month.**

- a. True
- b. False

**11. Under which of the following circumstances would it be financially beneficial to you to borrow money to buy something now and repay it with future income?**

- a. When you need to buy a car to get a much better paying job
- b. When you need a vacation
- c. When some clothes you like go on sale
- d. When you want to invest the money and feel you could make more than the interest you are paying

**12. If your credit card is stolen and the thief runs up a total debt of \$1,000, but you notify the issuer of the card as soon as you discover it is missing, what is the maximum amount that you must pay according to Federal law?**

- a. \$500
- b. \$1000
- c. Nothing
- d. \$50

**13. If you earned a four-year college degree, how much more money/Income could you expect to earn than if you only had a high school diploma?**

- a. About 10 times as much
- b. No more; I would make about the same either way
- c. A little more than 20% more
- d. Much more than 70% more

## Answer Key

1. B
2. A
3. A
4. A
5. D
6. D
7. D
8. C
9. B
10. B
11. A
12. D
13. D