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| 1. The average propensity to consume is commonly viewed as a key determinant of standard of living.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Wealth is commonly viewed as a key determinant of standard of living. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 2. Financial planning can improve your standard of living.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |
| *RATIONALE:* | Personal financial planning helps in improving your standard of living by allowing you to gain more enjoyment from your income. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 3. Standard of living is defined as the necessities, comforts, and luxuries desired by an individual or a family.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Standard of living is defined as the necessities, comforts, and luxuries enjoyed or desired by an individual or family. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 4. The support of philanthropic organizations is a material item that contributes to our quality of life.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Our quality of life is closely tied to our standard of living. Material items include a house, car, and clothing. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 5. The most effective way to achieve financial objectives is through personal financial planning.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | The best way to achieve financial objectives is through personal financial planning, which helps define your financial goals and develop appropriate strategies to reach them. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Analyzing |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 6. Two persons with significantly different income can have equal average propensities to consume because of differences in their standards of living.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Two people with significantly different incomes could have the same average propensity to consume because of differences in their standards of living. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Understanding |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 7. Mike’s annual income is $45,000, and he spends $30,000 for current needs. Mike’s average propensity to consume is 80 percent.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |
| *RATIONALE:* | Your average propensity to consume is the percentage of each dollar of income, on average, that is spent for current needs rather than savings. Mike’s propensity to consume = $30,000 ÷ $45,000 = 67%. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Applying |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 8. Tangible assets are earning assets that are held for the returns they promise.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Tangible assets are either held for consumption or investment purposes. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 9. It is very easy to change your partner’s financial style, so there is no need for financial planning to resolve conflicts regarding money matters.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |
| *RATIONALE:* | It is highly unlikely that you can change your partner’s style, but you can work out your differences through financial planning. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 10. The need for financial planning declines as your income increases.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Everyone—including recent college graduates, young married couples, and others—needs to develop a personal financial plan. Whether you have a lot of money or not enough, you need personal financial planning. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 11. When you get your first job, you should make a good financial plan that you can follow without making changes until you retire.

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|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | A financial plan cannot be done once for a lifetime. It has to be redefined and revised as personal circumstances change. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 12. Saving $400 for a large, flat-screen TV within the next 4 months is an example of a short-term goal.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |
| *RATIONALE:* | Short-term financial goals are set each year and cover a 12-month period. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Applying |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 13. Short-term planning should include creating and maintaining an emergency fund with at least 6 months’ worth of income.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
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| *ANSWER:* | True |
| *RATIONALE:* | Short-term planning should also include establishing an emergency fund with at least 6 months’ worth of income. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 14. You should discuss your financial goals and attitudes toward money with your partner.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | In addition to discussing your financial goals and attitudes toward money with your partner, you must allocate responsibility for money management tasks and decisions. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 15. For employees of large firms, managing employee benefits is an important part of financial planning.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Managing employee benefit plans and coordinating them with other financial plans is an important part of the overall personal financial planning process. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 16. Accumulating wealth for later years is called estate planning.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Estate planning involves planning how to pass personal wealth to heirs in the most effective manner. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 17. The longer you wait to begin retirement planning, the less you are likely to have in your retirement fund.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | A longer wait to begin retirement planning usually results in a substantially reduced level of retirement income. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 18. Tax plans are closely tied to investment plans.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Tax plans are closely tied to investment plans and will often specify certain investment strategies. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 19. Most people tend to be more liberal about their expenditures during a recession or crisis.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Most people tend to be more cautious about their expenditures during a recession or crisis. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 20. You should limit your spending to no more than 20 percent more than what you earn.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | You should always spend less than what you earn so that the excess amount can be saved for the future. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 21. Commission-based financial planners charge fees for the financial products they sell.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Commission-based financial planners earn commissions on the financial products they sell. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 22. Fee-only financial planners charge commission for the products they sell.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Fee-only financial planners charge fees based on the complexity of the financial plan they prepare. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 23. Retirement planning includes taking advantage of and managing employer-sponsored benefits.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | While you’re still working, you should be managing your finances to attain those goals you feel are important after you retire. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 24. Recessions and financial crises will always result in job loss.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Recessions and financial crises affect everyone. They affect some people directly and severely through job loss; some people are marginally hurt by reduced income, while some are not directly hurt. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 25. Financial planning takes place in a dynamic economic environment created by the actions of the government, business, and consumers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Financial planning takes place in a dynamic economic environment created by the actions of the government, business, and consumers. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 26. Your purchase, saving, investment, and retirement plans and decisions are not influenced by the present state of the economy.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Your purchase, saving, investment, and retirement plans and decisions are influenced by both the present and future states of the economy. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 27. The federal government delegates its regulation of economic activity function to businesses and consumers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Government, business, and consumers are the major players in our economic system. They interact with one another to produce the environment in which we carry out our financial plans. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 28. Living costs are constant throughout the country.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Living costs vary considerably throughout the country. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
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| 29. Geographic factors affect your earning power.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Geographic factors affect your earning power. Factors like economic conditions, labor supply, and industrial base affect salary levels in different areas. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
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| 30. Marital status affects the income level of individuals.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Income largely depends on factors like age, marital status, education, geographic location, and choice of career. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
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| 31. The decisions you make in career planning are independent of the decisions you make in financial planning.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Career planning and personal financial planning are closely related activities, so the decisions you make in one area affect the other. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | Bloom's: RememberingEasy |
| *REFERENCES:* | Understand the importance of career choices and their relationship to personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.06 - 1-5 What Determines Your Personal Income? |
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| 32. Setting long- and short-term career goals helps in career planning.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |
| *RATIONALE:* | Like financial planning, career planning is a lifelong process that includes short- and long-term goals. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Understand the importance of career choices and their relationship to personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.06 - 1-5 What Determines Your Personal Income? |
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| 33. Career plans should not be changed after long- and short-term career goals are set.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |
| *RATIONALE:* | Career plans are similar to financial plans, and they have to be reviewed and revised as the situation changes. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Understand the importance of career choices and their relationship to personal financial planning. |
| *QUESTION TYPE:* | True / False |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.06 - 1-5 What Determines Your Personal Income? |
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| 34. Personal financial planning is important because it:

|  |  |  |
| --- | --- | --- |
|   | a.  | controls inflation. |
|   | b.  | limits consumption. |
|   | c.  | reduces social disparity. |
|   | d.  | results in an improved standard of living. |
|   | e.  | reduces economic differences among individuals. |

|  |  |
| --- | --- |
| *ANSWER:* | d |
| *RATIONALE:* | Personal financial management is important because it helps in achieving financial goals and developing appropriate strategies to reach them. It also brings rewards that include greater flexibility, an improved standard of living, wise spending habits, and increased wealth. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 35. Financial planning helps us:

|  |  |  |
| --- | --- | --- |
|   | a.  | control inflation. |
|   | b.  | have flexibility to handle job loss. |
|   | c.  | control unemployment rates. |
|   | d.  | obtain a Social Security number. |
|   | e.  | decrease national debt. |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Financial planning helps us spend wisely and brings rewards that include greater flexibility to handle such contingencies as illness, job loss, and even financial crises. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 36. An individual’s quality of life is closely tied to his or her:

|  |  |  |
| --- | --- | --- |
|   | a.  | political orientation. |
|   | b.  | charitable contributions. |
|   | c.  | pollution control efforts. |
|   | d.  | standard of living. |
|   | e.  | educational qualifications. |

|  |  |
| --- | --- |
| *ANSWER:* | d |
| *RATIONALE:* | The key determinant of quality of life is wealth. An individual’s quality of life is closely tied to his or her standard of living. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 37. A key determinant of an individual’s quality of life is his or her:

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|   | a.  | tax bill. |
|   | b.  | financial goal. |
|   | c.  | wealth. |
|   | d.  | motivation. |
|   | e.  | growth potential. |

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| *ANSWER:* | c |
| *RATIONALE:* | A key determinant of the quality of life of an individual is his or her wealth. Wealth consists of financial and tangible assets. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 38. The average propensity to consume refers to:

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|   | a.  | the dollars of income spent on luxury goods. |
|   | b.  | the dollars of income saved by an individual. |
|   | c.  | expenditures on the basic necessities of life. |
|   | d.  | the percentage of income spent for current consumption. |
|   | e.  | the fact that people with higher propensity to consume earn lower income. |

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| *ANSWER:* | d |
| *RATIONALE:* | The average propensity to consume refers to the percentage of each dollar of income, on average, that a person spends for current needs rather than savings. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 39. Becky graduated with a master’s degree in personal financial planning. After working for 2 years in a small financial planning firm, Becky earns $85,000 annually and saves $5,000 a year after spending on her current needs. What is her average propensity to consume?

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| --- | --- | --- |
|   | a.  | 5 percent |
|   | b.  | 25 percent |
|   | c.  | 60 percent |
|   | d.  | 88 percent |
|   | e.  | 94 percent |

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| --- | --- |
| *ANSWER:* | e |
| *RATIONALE:* | Becky’s Average Propensity to Consume = ($85,000 – $5,000) ÷ $85,000 = 94%. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Applying |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 40. Which of the following is a reason for a decrease in the average propensity to consume with an increase in income?

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|   | a.  | The amount of savings decreases, and the consumption of necessities increases. |
|   | b.  | The expenditure on luxury goods increases, and the amount of savings decreases. |
|   | c.  | The expenditure on luxury goods represents only a small portion of income. |
|   | d.  | The amount of savings represents only a small portion of income. |
|   | e.  | The cost of necessities represents only a small portion of income. |

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| *ANSWER:* | e |
| *RATIONALE:* | As income increases, the average propensity to consume decreases because the cost of necessities represents a small portion of income. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Understanding |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 41. \_\_\_\_\_ is equal to the net total value of all the items that an individual owns.

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| --- | --- | --- |
|   | a.  | Wealth |
|   | b.  | Propensity to consume |
|   | c.  | Consumer price index |
|   | d.  | Purchasing power |
|   | e.  | Credit debt |

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| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | Wealth is the net total value of all the items that an individual owns and consists of financial and tangible assets. Financial assets are intangible assets, such as stocks and bonds. Tangible assets are physical assets, such as real estate and automobiles. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 42. Stocks, bonds, and mutual funds are \_\_\_\_\_ assets.

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|   | a.  | physical |
|   | b.  | earning |
|   | c.  | fixed |
|   | d.  | tangible |
|   | e.  | real |

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| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Financial assets are intangible, paper assets such as savings accounts and securities (stocks, bonds, mutual funds, and so forth). They are earning assets that are held for their expected future returns. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 43. The last step in the financial planning process is to:

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|   | a.  | develop financial plans and strategies to achieve goals. |
|   | b.  | use financial statements to evaluate results of plans and budgets, taking corrective action as required. |
|   | c.  | implement financial plans and strategies. |
|   | d.  | redefine goals and revise plans and strategies as personal circumstances change. |
|   | e.  | periodically develop and implement budgets to monitor and control progress toward goals. |

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| *ANSWER:* | d |
| *RATIONALE:* | The last step of financial planning involves redefining goals so that they better meet current needs and revising financial strategies accordingly. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 44. When setting financial goals, you should typically start by setting:

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| --- | --- | --- |
|   | a.  | short-term goals. |
|   | b.  | intermediate goals. |
|   | c.  | long-term goals. |
|   | d.  | goals that are not time-bound. |
|   | e.  | goals that are unrealistic. |

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| *ANSWER:* | c |
| *RATIONALE:* | Long-term financial goals are set first, followed by a series of corresponding short-term and intermediate goals. Long-term goals change over time, and one needs to revise them accordingly. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 45. Which of the following financial goals is most useful for developing a financial plan?

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|   | a.  | Make a $12,000 down payment on an automobile in 4 years. |
|   | b.  | Retire with a comfortable lifestyle in 25 years. |
|   | c.  | Buy a $125,000 house. |
|   | d.  | Purchase a $40,000 boat. |
|   | e.  | Join the county club on retirement in 20 years. |

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| *ANSWER:* | a |
| *RATIONALE:* | The goal to make a $12,000 down payment on an automobile in 4 years is specific and has a target date. Therefore, it is the most useful in developing a financial plan. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Applying |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 46. Financial plans include setting goal dates, which are:

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|   | a.  | dates in the future when the goals are expected to be achieved. |
|   | b.  | dates in the future when the goals will be compared with other goals that have already been achieved. |
|   | c.  | dates in the past when the goals were revised and redefined. |
|   | d.  | dates in the past when the goals were set. |
|   | e.  | dates in the future when the goals will be discussed with family members. |

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| *ANSWER:* | a |
| *RATIONALE:* | Financial plans include setting goal dates, which are target dates in the future when certain financial objectives are expected to be completed. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 47. Which of the following statements about setting long-term goals is true?

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|   | a.  | The goals should be very ambitious. |
|   | b.  | The goals should be realistic. |
|   | c.  | The goals should be attained in 6 months to a year. |
|   | d.  | The goals should be easy to meet. |
|   | e.  | The goals should be set and remain unchanged. |

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| *ANSWER:* | b |
| *RATIONALE:* | Long-term goals will change over time, and you will need to revise them accordingly. If the goals seem too ambitious, you’ll want to make them more realistic. If they’re too conservative, you’ll want to adjust them to a level that encourages you to make financially responsible decisions rather than squander surplus funds. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Evaluating |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 48. Which of the following is one of the most emotional issues in any relationship, including that with a partner, parents, or children?

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|   | a.  | Career choices |
|   | b.  | Hobbies |
|   | c.  | Friends |
|   | d.  | Money |
|   | e.  | Retirement planning |

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| *ANSWER:* | d |
| *RATIONALE:* | Money can be one of the most emotional issues in any relationship, including that with a partner, parents, or children. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 49. The best way for a family to handle financial decisions is to:

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|   | a.  | ensure that only one person in the family makes financial decisions. |
|   | b.  | communicate consistently about money matters with family members. |
|   | c.  | ensure that individuals do not interfere in other family members’ financial matters. |
|   | d.  | use a third party, who is not a part of the family, to set financial goals. |
|   | e.  | maintain confidentiality regarding the reasons behind specific decisions. |

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| *ANSWER:* | b |
| *RATIONALE:* | The best way for a family to handle financial decisions is to be aware of your family members’ financial style, consistently communicate openly, and be willing to compromise. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 50. \_\_\_\_\_ is an important part of the conflict resolution process when there are disputes relating to money matters in families.

|  |  |  |
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|   | a.  | Life cycle analysis |
|   | b.  | Personality development |
|   | c.  | Financial planning |
|   | d.  | Personal counseling |
|   | e.  | Stress management |

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| *ANSWER:* | c |
| *RATIONALE:* | Financial planning is an important part of the conflict resolution process. Family members need to work together to develop their financial goals. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 51. Which of the following statements about money and relationships is true?

|  |  |  |
| --- | --- | --- |
|   | a.  | It is highly possible to change a partner’s financial style. |
|   | b.  | One of the most important aspects of a marriage is financial compatibility. |
|   | c.  | Money does not cause emotional issues in any relationship. |
|   | d.  | The best way to resolve a money dispute is to avoid such a discussion. |
|   | e.  | Financial planning does not help in resolving conflicts related to money. |

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| *ANSWER:* | b |
| *RATIONALE:* | One of the most important aspects of a marriage is financial compatibility. Financial planning is an important part of the conflict resolution process. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Evaluating |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
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| 52. Financial planning for young people focuses first on:

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|   | a.  | career. |
|   | b.  | insurance. |
|   | c.  | investment. |
|   | d.  | taxes. |
|   | e.  | retirement. |

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| *ANSWER:* | a |
| *RATIONALE:* | Financial planning for young people primarily concerns career. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 53. Martha is 60 and has a very high net worth. Her most pressing financial concern is probably:

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|   | a.  | asset acquisition planning. |
|   | b.  | liability planning. |
|   | c.  | estate planning. |
|   | d.  | insurance planning. |
|   | e.  | savings planning. |

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| *ANSWER:* | c |
| *RATIONALE:* | Martha’s most pressing financial concern is probably her estate, which will help in retirement planning. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Applying |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 54. Employee benefits may include all of the following EXCEPT:

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|   | a.  | asset purchases. |
|   | b.  | life insurance. |
|   | c.  | child-care assistance programs. |
|   | d.  | pension payments. |
|   | e.  | subsidized food services. |

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| *ANSWER:* | a |
| *RATIONALE:* | Employee benefits may include pension plans, child care, health care, profit-sharing plans, and insurance. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Understanding |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 55. Tax planning is most commonly done to:

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|   | a.  | determine the tax penalty. |
|   | b.  | evade taxes. |
|   | c.  | minimize taxes. |
|   | d.  | pay taxes the person considers to be fair. |
|   | e.  | learn the tax code. |

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| *ANSWER:* | c |
| *RATIONALE:* | Tax planning involves looking at individuals’ current and projected earnings and then developing strategies that will defer and minimize taxes. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 56. Estate planning involves:

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|   | a.  | considering how your wealth can be most effectively passed on to your heirs. |
|   | b.  | determining the income you need to maintain. |
|   | c.  | the dissolution of all privately held corporations. |
|   | d.  | the valuation and auctioning of your valuables by hiring a professional tax planner. |
|   | e.  | planning for retirement. |

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| *ANSWER:* | a |
| *RATIONALE:* | Estate planning involves considering how your wealth can be most effectively passed on to your heirs. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 57. Ideally, retirement planning should begin:

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|   | a.  | during the year before retirement. |
|   | b.  | when the last child has left home. |
|   | c.  | as soon as the mortgage is paid off. |
|   | d.  | when you get married. |
|   | e.  | as soon as you start earning. |

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| *ANSWER:* | e |
| *RATIONALE:* | Ideally, retirement planning should begin as soon as one starts earning. This will help individuals save more for retirement and take advantage of the compounding effect of money. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 58. Professional financial planners:

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|   | a.  | provide services on a fee or commission basis. |
|   | b.  | provide services to wealthy investors only. |
|   | c.  | set the financial goals of retired investors. |
|   | d.  | make financial decisions for investors. |
|   | e.  | are most effective during retirement years. |

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| *ANSWER:* | a |
| *RATIONALE:* | Professional financial planners provide services on a fee and commission basis. Many financial planners take a hybrid approach and charge fees and collect commissions on the products they sell, offering lower fees if you make product transactions through them. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 59. Which of the following age groups tends to have the highest income?

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| --- | --- | --- |
|   | a.  | 18–24 |
|   | b.  | 25–34 |
|   | c.  | 35–44 |
|   | d.  | 45–64 |
|   | e.  | 65 and older |

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| *ANSWER:* | d |
| *RATIONALE:* | The people in the pre-retirement stage or 45–64 age group tend to have higher income than those younger than age 45. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 60. Managing health and disability insurance is an important part of \_\_\_\_\_ planning.

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| --- | --- | --- |
|   | a.  | asset acquisition |
|   | b.  | tax |
|   | c.  | retirement |
|   | d.  | estate |
|   | e.  | employee benefit |

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| *ANSWER:* | e |
| *RATIONALE:* | Employee benefit planning may involve planning for life, health, and disability insurance; tuition reimbursement programs for continuing education; and pension, profit-sharing, and 401(k) retirement plans. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 61. Which of the following is included in employee benefits packages?

|  |  |  |
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|   | a.  | Career plans |
|   | b.  | Retirement plans |
|   | c.  | Tax deferment plans |
|   | d.  | Personal asset plans |
|   | e.  | Bankruptcy recovery plans |

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| *ANSWER:* | b |
| *RATIONALE:* | Employee benefits packages cover a full spectrum that includes pension, profit-sharing, and 401(k) retirement plans. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 62. Which of the following statements about investments is true?

|  |  |  |
| --- | --- | --- |
|   | a.  | As income increases, the need for investment planning decreases. |
|   | b.  | Keeping money idle is a form of investment. |
|   | c.  | Higher returns on investment will lead to the accumulation of less wealth. |
|   | d.  | Investment is measured by the amount of debt incurred. |
|   | e.  | The length of time for which money is invested is important. |

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| *ANSWER:* | e |
| *RATIONALE:* | The length of time for which money is invested is just as important as the rate of return an individual earns on his or her investments. One can accumulate more wealth by investing for 40 rather than 30 years. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Evaluating |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 63. Ben invests $10,000 at a rate of interest of 5 percent for 40 years. Which of the following statements about the return on the investment is true?

|  |  |  |
| --- | --- | --- |
|   | a.  | Ben will receive more money at the end of 30 years compared to the money received at the end of 40 years. |
|   | b.  | Ben will receive more money at a 3 percent rate of interest instead of the existing rate. |
|   | c.  | Ben will receive interest of $5,000 at the end of 10 years. |
|   | d.  | Ben will receive no interest on his investment at the end of the investment period. |
|   | e.  | Ben will receive a significant amount at the end of the investment period, due to the feature of compounding. |

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| *ANSWER:* | e |
| *RATIONALE:* | One can accumulate more wealth by investing for 40 rather than 30 years. This is because of compound interest. Thus, Ben will receive a significant amount at the end of 40 years due to the compounding feature. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Applying |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 64. Which of the following will legally reduce an investor’s tax liability?

|  |  |  |
| --- | --- | --- |
|   | a.  | Tax evasion |
|   | b.  | Tax shelter |
|   | c.  | Tax penalty |
|   | d.  | Tax accounting |
|   | e.  | Tax portfolio |

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| *ANSWER:* | b |
| *RATIONALE:* | Tax shelters use various aspects of the tax code (such as depreciation expenses) to legitimately reduce an investor’s tax liability. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 65. Which of the following practices helps an individual survive in a financial crisis?

|  |  |  |
| --- | --- | --- |
|   | a.  | Spending more than his or her earnings to maintain a good lifestyle |
|   | b.  | Investing small amounts regularly to achieve long-term financial goals |
|   | c.  | Establishing an emergency fund with 6 months’ worth of income |
|   | d.  | Developing financial plans only after reaching the highest tax brackets |
|   | e.  | Planning tax without considering tax shelters |

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| *ANSWER:* | c |
| *RATIONALE:* | Short-term planning should also include establishing an emergency fund with at least 6 months’ worth of income. This special savings account serves as a safety reserve in case of financial emergencies such as a temporary loss of income. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | Bloom's: RememberingModerate |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 66. Which of the following statements about the effects of an economic recession is true?

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|   | a.  | An increase in the standard of living |
|   | b.  | A decrease in unemployment |
|   | c.  | An increase in the expenditure on luxury goods |
|   | d.  | A decrease in the value of retirement accounts |
|   | e.  | An increase in the value of insurance purchased |

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| *ANSWER:* | d |
| *RATIONALE:* | As a result of recession, retirement accounts typically drop in value, and financial plans must be revised to accommodate these changes. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Evaluating |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 67. In addition to discussing your financial goals with your partner, you must allocate responsibility for \_\_\_\_\_ tasks and decisions.

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| --- | --- | --- |
|   | a.  | skill management |
|   | b.  | stress management |
|   | c.  | household management |
|   | d.  | money management |
|   | e.  | business cycle management |

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| --- | --- |
| *ANSWER:* | d |
| *RATIONALE:* | In addition to discussing your financial goals and attitudes toward money with your partner, you must allocate responsibility for money management tasks and decisions. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 68. \_\_\_\_\_ is something we owe, which is measured by the amount of debt we incur.

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|   | a.  | An asset |
|   | b.  | An estate |
|   | c.  | A liability |
|   | d.  | Insurance |
|   | e.  | A goal |

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| *ANSWER:* | c |
| *RATIONALE:* | A liability is something we owe, which is measured by the amount of debt we incur. The acquisition of assets, such as houses and cars, creates liabilities that must be repaid at some future time. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 69. The financial planning process helps in:

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|   | a.  | increasing assets. |
|   | b.  | increasing debts. |
|   | c.  | reducing utility. |
|   | d.  | reducing financial flexibility. |
|   | e.  | increasing financial risk. |

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| *ANSWER:* | a |
| *RATIONALE:* | The financial planning process helps to focus on acquiring major assets, controlling borrowing, reducing financial risk, and providing for emergency funds and future wealth accumulation. The process helps in covering all the important financial elements in an individual’s life. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 70. Which of the following practices will help in dealing with unexpected negative financial shocks?

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|   | a.  | Purchasing low-utility products |
|   | b.  | Accumulating debt |
|   | c.  | Acquiring assets with low financial value |
|   | d.  | Saving money regularly for emergency funds |
|   | e.  | Planning for retirement |

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| *ANSWER:* | d |
| *RATIONALE:* | Individuals should set up an emergency fund or reduce monthly expenses to protect themselves from financial shocks. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | Bloom's: UnderstandingModerate |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 71. The three key groups in the economic environment are:

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|   | a.  | government, regulators, and business. |
|   | b.  | government, consultants, and business. |
|   | c.  | consumers, economists, and business. |
|   | d.  | consumers, business, and managers. |
|   | e.  | government, consumers, and business. |

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| --- | --- |
| *ANSWER:* | e |
| *RATIONALE:* | The three key groups in the economic environment are government, consumers, and business. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 72. The government places constraints on the personal financial environment by the use of:

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|   | a.  | leverage policy. |
|   | b.  | taxation. |
|   | c.  | competition. |
|   | d.  | budgetary deficits. |
|   | e.  | the free-enterprise system. |

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| *ANSWER:* | b |
| *RATIONALE:* | The two major constraints placed by the government from the perspective of personal financial planning are taxation and regulation. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 73. Which of the following statements about businesses is true?

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|   | a.  | Businesses provide goods and services and receive payment in money. |
|   | b.  | Businesses frame rules and regulations to maintain the law and order in a country. |
|   | c.  | Businesses determine the kinds of goods and services that a government will use. |
|   | d.  | Businesses do not interact with other players in the economy. |
|   | e.  | Businesses are seldom affected by economic cycles. |

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| *ANSWER:* | a |
| *RATIONALE:* | Businesses provide goods and services to consumers and in turn receive payment in the form of money. They hire labor and use land and financial capital to produce goods and services. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Evaluating |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 74. The amount of goods and services each dollar buys at a given point in time is called:

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|   | a.  | inflation. |
|   | b.  | the consumer price index. |
|   | c.  | the purchasing power. |
|   | d.  | the gross domestic product. |
|   | e.  | the opportunity cost. |

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| *ANSWER:* | c |
| *RATIONALE:* | The amount of goods and services that each dollar buys at a given time is called the purchasing power. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 75. The consumer is:

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|   | a.  | a member of the business group. |
|   | b.  | the central player in the financial planning environment. |
|   | c.  | an important force in the government. |
|   | d.  | an advocacy group that fights corruption in the government. |
|   | e.  | relatively unimportant to the business or the government. |

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| *ANSWER:* | b |
| *RATIONALE:* | The consumer is the central player in the financial planning environment. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 76. A strong economy leads to:

|  |  |  |
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|   | a.  | a low gross domestic product. |
|   | b.  | high tax percentages. |
|   | c.  | high employment opportunities. |
|   | d.  | low tax penalty rates. |
|   | e.  | a low value of retirement accounts. |

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| *ANSWER:* | c |
| *RATIONALE:* | The stronger the economy, the higher the levels of real gross domestic product (GDP) and employment. Therefore, a strong economy will have high employment opportunities. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Understanding |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 77. The stage in which the economy hits a peak is called:

|  |  |  |
| --- | --- | --- |
|   | a.  | expansion. |
|   | b.  | contraction. |
|   | c.  | stagnation. |
|   | d.  | recession. |
|   | e.  | depression. |

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| *ANSWER:* | a |
| *RATIONALE:* | The stage in which the economy hits a peak is called expansion. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 78. Which of the following statements is true about Andy if the inflation rate is increasing every year by 1 percent and there is no growth in his salary?

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|   | a.  | Andy can afford to buy more luxury items as prices go down. |
|   | b.  | Andy’s purchasing power will decrease. |
|   | c.  | Andy’s employment opportunities will increase. |
|   | d.  | The lack of growth in Andy’s salary will increase the average inflation rate. |
|   | e.  | Andy’s cost of borrowing will be reduced. |

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| *ANSWER:* | b |
| *RATIONALE:* | The amount of goods and services that each dollar buys at a given time will decrease with an increase in inflation. Therefore, Andy’s purchasing power will decrease. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Applying |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 79. Inflation refers to:

|  |  |  |
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|   | a.  | increasing prices. |
|   | b.  | declining population. |
|   | c.  | increasing tax deferment. |
|   | d.  | increasing stock index. |
|   | e.  | decreasing birth rate. |

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| *ANSWER:* | a |
| *RATIONALE:* | Inflation refers to the increase in the general level of prices over time. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 80. An economy experiences \_\_\_\_\_ after a peak.

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|   | a.  | a convolution |
|   | b.  | an expansion |
|   | c.  | a contraction |
|   | d.  | recovery |
|   | e.  | prosperity |

|  |  |
| --- | --- |
| *ANSWER:* | c |
| *RATIONALE:* | An economy usually experiences a contraction after a peak. During a contraction (also known as a recession), the real GDP falls into a trough, which is the end of a contraction and the beginning of an expansion. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
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| 81. The \_\_\_\_\_ environment of your country affects the interest rates you pay on your mortgage and credit cards as well as those you earn on savings accounts and bonds.

|  |  |  |
| --- | --- | --- |
|   | a.  | economic |
|   | b.  | education |
|   | c.  | technological |
|   | d.  | social |
|   | e.  | legal |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | The economic environment of your country affects the interest rates you pay on your mortgage and credit cards as well as those you earn on savings accounts and bonds. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 82. Salaries could vary across geographical areas because of \_\_\_\_\_\_ costs.

|  |  |  |
| --- | --- | --- |
|   | a.  | legal |
|   | b.  | living |
|   | c.  | social |
|   | d.  | psychological |
|   | e.  | technological |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Salaries could vary across geographical areas because of living costs. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 83. Which of the following statements about the earning power of an individual is true?

|  |  |  |
| --- | --- | --- |
|   | a.  | Income varies across different geographic locations due to varying costs of living. |
|   | b.  | Heads of households who have less formal education earn more. |
|   | c.  | Career planning does not help in improving earning potential. |
|   | d.  | People who are very old have high incomes. |
|   | e.  | Marital status has no impact on an individual’s personal income. |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | Income varies across geographic locations due to varying costs of living, labor supply, economic conditions, and industrial base. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Evaluating |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 84. Career planning:

|  |  |  |
| --- | --- | --- |
|   | a.  | does not require any goal setting. |
|   | b.  | is not related to personal financial planning. |
|   | c.  | does not influence an individual’s lifetime earnings. |
|   | d.  | impacts an employer’s stability. |
|   | e.  | helps in improving professional satisfaction. |

|  |  |
| --- | --- |
| *ANSWER:* | e |
| *RATIONALE:* | Careful career planning can improve an individual’s work situation and help him or her gain greater personal and professional satisfaction. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Understand the importance of career choices and their relationship to personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.06 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 85. The best way to achieve your financial objectives is to:

|  |  |  |
| --- | --- | --- |
|   | a.  | have a luxurious standard of living. |
|   | b.  | spend your money at once to reach your objectives swiftly. |
|   | c.  | develop a sound financial plan. |
|   | d.  | create a good tax deferment strategy. |
|   | e.  | monitor your spending. |

|  |  |
| --- | --- |
| *ANSWER:* | c |
| *RATIONALE:* | The best way to achieve financial objectives is through personal financial planning, which helps define personal financial goals and develop appropriate strategies to reach them. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 86. \_\_\_\_\_\_ plans are most helpful in making decisions regarding retirement.

|  |  |  |
| --- | --- | --- |
|   | a.  | Personal financial |
|   | b.  | Insurance  |
|   | c.  | Estate |
|   | d.  | Business |
|   | e.  | Spending |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | Personal financial plans help in making financial decisions regarding assets, credit, insurance, investments, and retirement and estates. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 87. The purchase of a car is an example of:

|  |  |  |
| --- | --- | --- |
|   | a.  | consuming. |
|   | b.  | investing. |
|   | c.  | saving. |
|   | d.  | deferring. |
|   | e.  | distributing. |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | Tangible assets are physical assets such as real estate and automobiles. These assets can be held for either consumption (e.g., your home, car, artwork, or jewelry) or investment purposes (e.g., a duplex purchased for rental income). See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Understanding |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 88. The purchase of \_\_\_\_\_\_\_\_\_\_\_\_ is an example of the purchase of a financial asset.

|  |  |  |
| --- | --- | --- |
|   | a.  | a home |
|   | b.  | stocks |
|   | c.  | a car |
|   | d.  | jewelry |
|   | e.  | a vacation home |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Financial assets are intangible, paper assets such as savings accounts and securities like stocks, bonds, and mutual funds. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Understanding |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 89. One trend with a profound effect on people’s standard of living is the \_\_\_\_\_\_\_\_\_\_\_\_, which requires greater responsibility to manage money wisely.

|  |  |  |
| --- | --- | --- |
|   | a.  | single-income family |
|   | b.  | two-income family |
|   | c.  | investment family |
|   | d.  | retirement-income family |
|   | e.  | government  |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | One trend with a profound effect on people’s standard of living is the two-income family, which requires greater responsibility to manage money wisely. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 90. A carefully developed financial plan should provide for saving a portion of \_\_\_\_\_\_\_\_\_\_\_\_ for deferred, future spending.​

|  |  |  |
| --- | --- | --- |
|   | a.  | retirement funds |
|   | b.  | investment funds |
|   | c.  | current income |
|   | d.  | future income |
|   | e.  | tangible assets |

|  |  |
| --- | --- |
| *ANSWER:* | c |
| *RATIONALE:* | A carefully developed financial plan should provide for saving a portion of current income for deferred, future spending. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 91. Regardless of income or wealth, setting aside some portion of current income regularly for future use increases the amount of:

|  |  |  |
| --- | --- | --- |
|   | a.  | savings. |
|   | b.  | tax-exempt income. |
|   | c.  | deferred tax. |
|   | d.  | employee benefits. |
|   | e.  | tangible assets. |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | Regardless of income or wealth, setting aside some portion of current income regularly for future use increases the amount of income saved. See 1-1: The Rewards of Sound Financial Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | Bloom's: RememberingEasy |
| *REFERENCES:* | Identify the benefits of using personal financial planning techniques to manage your finances. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.01 - 1-1 The Rewards of Sound Financial Planning |
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| 92. Personal \_\_\_\_\_\_ is a systematic process that considers important elements of an individual’s monetary affairs in order to fulfill monetary goals.

|  |  |  |
| --- | --- | --- |
|   | a.  | conflict resolving |
|   | b.  | financial planning |
|   | c.  | standard of living |
|   | d.  | legal counselling |
|   | e.  | wealth monitoring |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Personal financial planning is a systematic process that considers important elements of an individual’s monetary affairs in order to fulfill monetary goals. See 1-2: The Personal Financial Planning Process. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Describe the personal financial planning process and define your goals. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.02 - 1-2 The Personal Financial Planning Process |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 93. \_\_\_\_\_\_ would be considered real property.

|  |  |  |
| --- | --- | --- |
|   | a.  | Stocks |
|   | b.  | Land |
|   | c.  | Cash |
|   | d.  | Bonds |
|   | e.  | Clothing |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Any immovable property—land and anything fixed to it, such as a house—is classified as real property. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 94. Income tends to \_\_\_\_\_\_ between the ages of 65 and 80.

|  |  |  |
| --- | --- | --- |
|   | a.  | increase |
|   | b.  | decrease |
|   | c.  | stabilize |
|   | d.  | fluctuate |
|   | e.  | decrease and then increase slowly |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | According to Exhibit 1.8, income tends to decrease between the ages of 65 and 80. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | Bloom's: RememberingModerate |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 95. Sarah starts investing in an individual retirement account (IRA) at the age of 30 and earns 10 percent for 35 years. At age 65, she will get less returns as compared to those returns if she:

|  |  |  |
| --- | --- | --- |
|   | a.  | starts investing at the age of 25. |
|   | b.  | invests at 12 percent. |
|   | c.  | invests for 45 years. |
|   | d.  | invests up to the age of 60. |
|   | e.  | earns 10 percent for 5 years and then 12 percent for 30 years. |

|  |  |
| --- | --- |
| *ANSWER:* | d |
| *RATIONALE:* | The length of time an investor keeps his or her money invested is just as important as the rate of return earned on the investment. Thus, Sarah will get less returns if she invests only up to the age of 60 rather than the age of 65. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ChallengingBloom's: Applying |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 96. Tax planning is most common among individuals with \_\_\_\_\_\_ income.

|  |  |  |
| --- | --- | --- |
|   | a.  | low |
|   | b.  | high  |
|   | c.  | no  |
|   | d.  | erratic  |
|   | e.  | decreasing |

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| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Tax planning is most common among individuals with high income. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 97. In \_\_\_\_\_\_ plans, the employer allocates a certain amount of money to each employee and lets the employee spend that money for benefits that suit him or her.

|  |  |  |
| --- | --- | --- |
|   | a.  | cafeteria |
|   | b.  | fixed-benefit |
|   | c.  | estate |
|   | d.  | profit-sharing |
|   | e.  | saving |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | In cafeteria plans, also known as flexible-benefit programs, the employer allocates a certain amount of money to each employee and then lets the employee spend that money for benefits that suit his or her age, marital status, number of dependent children, level of income, and so on. See 1-3: From Goals to Plans: A Lifetime of Planning. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Explain the life cycle of financial plans, their role in achieving your financial goals, how to deal with special planning concerns, and the use of professional financial planners. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.03 - 1-3 From Goals to Plans: A Lifetime of Planning |
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| 98. A decrease in the gross domestic product (GDP) would indicate that the economy is experiencing a(n):

|  |  |  |
| --- | --- | --- |
|   | a.  | expansion. |
|   | b.  | contraction. |
|   | c.  | deflation. |
|   | d.  | stagflation. |
|   | e.  | growth spurt. |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | During a contraction (also known as a recession), the real GDP keeps decreasing and then falls into a trough, which is the end of a contraction and the beginning of an expansion. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 99. Following an economic trough, the economy will often enter a(n):

|  |  |  |
| --- | --- | --- |
|   | a.  | expansion. |
|   | b.  | contraction. |
|   | c.  | deflation. |
|   | d.  | peak. |
|   | e.  | another trough. |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | During a contraction (also known as a recession), the real GDP keeps decreasing and then falls into a trough, which is the end of a contraction and the beginning of an expansion. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 100. The consumer price index (CPI) is a measure of:

|  |  |  |
| --- | --- | --- |
|   | a.  | unemployment. |
|   | b.  | inflation. |
|   | c.  | stagnation. |
|   | d.  | recession. |
|   | e.  | saving. |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | The most common measure of inflation, the consumer price index (CPI), is based on changes in the cost of consumer goods and services. See 1-4: The Planning Environment. |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Examine the economic environment’s influence on personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.04 - 1-4 The Planning Environment |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 101. An individual’s salary will be lower if he or she lives in a(n) \_\_\_\_\_\_ area.

|  |  |  |
| --- | --- | --- |
|   | a.  | metropolitan |
|   | b.  | overpopulated |
|   | c.  | industrial |
|   | d.  | rural |
|   | e.  | well-developed |

|  |  |
| --- | --- |
| *ANSWER:* | d |
| *RATIONALE:* | Your salary will be lower if you live in a rural area than if you live in a metropolitan area as salaries vary for different locations based on several factors like cost of living and supply of labor. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785893 - Reflective Thinking |
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| 102. Heads of households who have more formal education:

|  |  |  |
| --- | --- | --- |
|   | a.  | pay more tax penalty. |
|   | b.  | earn more annual income. |
|   | c.  | save less money. |
|   | d.  | have less wealth. |
|   | e.  | have careers with less decision-making responsibility. |

|  |  |
| --- | --- |
| *ANSWER:* | b |
| *RATIONALE:* | Heads of households who have more formal education earn higher annual incomes than do those with lesser degrees. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | EasyBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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| 103. Our \_\_\_\_\_\_ is an important factor in determining how well we live.

|  |  |  |
| --- | --- | --- |
|   | a.  | income |
|   | b.  | age |
|   | c.  | credit |
|   | d.  | loan interest rate |
|   | e.  | savings |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | An important factor in determining how well we live is the amount of income we earn. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Evaluate the impact of age, education, and geographic location on personal income. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.05 - 1-5 What Determines Your Personal Income? |
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| 104. A person’s \_\_\_\_\_\_ leads to an increase in income potential in his or her career.

|  |  |  |
| --- | --- | --- |
|   | a.  | formal education |
|   | b.  | social status |
|   | c.  | marital status |
|   | d.  | corporate loyalty |
|   | e.  | family size |

|  |  |
| --- | --- |
| *ANSWER:* | a |
| *RATIONALE:* | A formal education leads to greater decision-making responsibility—and consequently leads to an increase in income potential—within a career. See 1-5: What Determines Your Personal Income? |
| *POINTS:* | 1 |
| *DIFFICULTY:* | ModerateBloom's: Remembering |
| *REFERENCES:* | Understand the importance of career choices and their relationship to personal financial planning. |
| *QUESTION TYPE:* | Multiple Choice |
| *HAS VARIABLES:* | False |
| *LEARNING OBJECTIVES:* | PFIN7.BILL.20.01.06 - 1-5 What Determines Your Personal Income? |
| *ACCREDITING STANDARDS:* | 22785889 - Analytic |
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