Personal Finance Study Guide (Answer on a separate sheet of paper and attach your answers to this sheet).

1. If you deposit $200 in savings account that pays 3% Simple interest, and you don’t make additional deposits, how much money would you have in two years?
2. If you deposit $200 in a savings account that pays you 3% Compound yearly interest, and you don’t make additional deposits, how much money would you have in two years?
3. Workers earnings: If the supply of labor is high, and the demand is low, the pay is \_\_\_\_\_\_\_\_\_
4. If the demand for an occupation is high but the supply low, the pay is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. What determines workers earnings?
6. The FDIC insures bank accounts up to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. What is one way that banks earn money through loans
8. If the investment risk is high, the rate of return on investment is probably \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. If the risk of an investment is low, the rate of return is probably \_\_\_\_\_\_\_
10. According to the top CEOs, what types of skills must everyone have in order to be successful
11. Who would possibly earn the most money? A person who dropped out of high school, a person who only graduates from high school, or a person who earns a college degree?
12. Who is hurt when inflation is high?
13. What is an insurance premium?
14. What is an insurance policy?
15. When applying for a loan, what types of information is a bank interested in before they loan the money?
16. Which is riskier, Stocks or Government Bonds?
17. Explain the difference between proportional tax, progressive tax, and regressive tax.
18. What would be an advantage of an insurance policy that has a high deductible?
19. What is the difference between whole life insurance and term life insurance?
20. What is meant by a deductible when an insurance claim is filed?
21. What is an insurance policy
22. What is a regressive tax?
23. What is a progressive tax?
24. What is a proportional tax?
25. What is the difference between gross wages and net income?
26. What is the difference between buying stocks in a company and buying a mutual fund?
27. What is a mutual fund?
28. What is the difference between a corporate bond and a U.S. bond?
29. When investing, what is meant by high rate of return, high risk?
30. What types of investments are low risks?
31. What types of investments are high risks?