

# Answer Key



## The Quiz: Money in Motion

- 1** A good place to open your first checking account is:
- C.** Local banks are set up to help individual consumers make the most of their money. Bankers can help individuals make the best choices for their needs.
- 2** You just got your first credit card. It's a good idea to:
- E.** The best policy is to buy what you can afford—today. Whether you buy with a credit card or cash, you should always try to pay off debts as quickly as possible.
- 3** Why would you visit a banker?
- G.** Bankers are able to help consumers handle a wide variety of transactions, from checking or savings accounts to loans to mortgages to investments.
- 4** What is a budget?
- E.** A budget is a tool for planning how you will use your money, so that you avoid debt and increase wealth over time.
- 5** You used a credit card to buy an expensive present for your friend. Then you had to quit your part-time job so you could study more. Your bills keep coming, but you have no money to pay them. You should:
- F.** Ask for the help you need: credit card debt is easy to accumulate, and tough to get rid of. And, until your situation changes, it's a good idea to stop using a credit card.
- 6** You're finally earning money from a summer job. You're making \$7 an hour, working 30 hours a week. You get your first check for the first two weeks of work. Congratulations! Your check is good for:
- B.** All payroll systems subtract appropriate taxes from each paycheck.
- 7** Most people who make a lot of money over their lifetime...
- B.** Most people who make a lot of money don't do it alone, and they do borrow money when it's appropriate. They work closely with banks and keep a close eye on their own financial matters.
- 8** You have a credit card and use it to buy dinner for all your friends. Then you get the credit card bill. It says you owe \$60, but could make a minimum payment of \$10. You have \$200 in your bank account. You should:
- B.** It's tempting to just pay the minimum each month, and that can be a trap. The longer you take to pay off your debt, the more interest you'll pay. That means you'll wind up spending much more than \$60 if you wait and pay your debt slowly. Of course, you should always pay bills on time to maintain a good credit rating.

