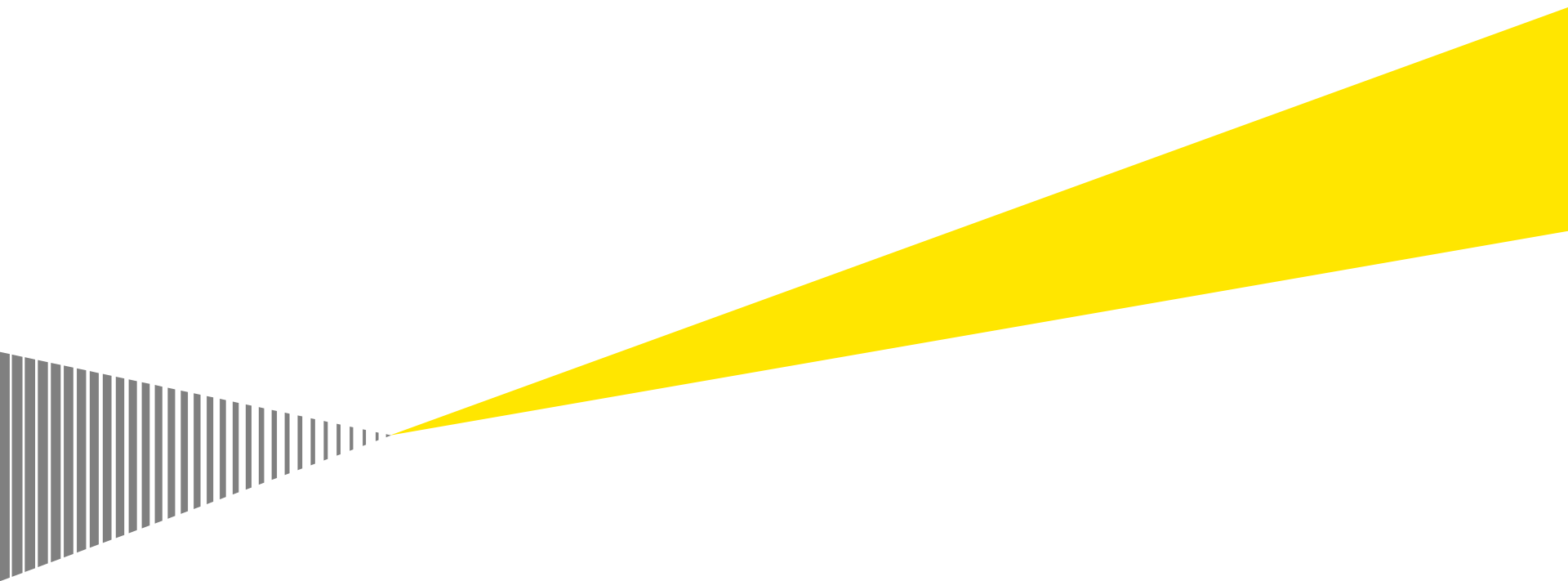


Test Your Financial Literacy

PBUCC



Building a better
working world

Question No. 1

Which of the following steps is ***not*** part of the financial planning process?

Gather your information

Analyze your information

Develop a plan

Make copies of your written plan



Question No. 2

Which of the following does the acronym S.M.A.R.T. *not* stand for when referring to setting financial goals?



Specific

Meaningful

Actionable

Realistic

Timebound

Question No. 3

Which of the following is a discretionary expense?

Food

Clothing

Vacation

Insurance



Question No. 4

Which of the following is the minimum amount you should have in an emergency fund?



3 months of total monthly expenses

3 months of necessary monthly living expenses

\$5,000

\$10,000

Question No. 5

Which of the following does not impact your credit scores?

Amounts owed

Types of credit used

Length of credit history

Annual income



Question No. 6

Which of the following debts should you pay down first?



Debt with the highest balance

Debt with the highest interest rate

Oldest debt

Newest debt

Question No. 7

Which of the following do lenders *not* consider when applying for a mortgage?

Prior home ownership

Monthly income

Monthly auto loan payment

Co-signer's credit score



Question No. 8

Which of the following is *least* important when selecting a medical insurance plan?



Deductible

Premium

Out-of-pocket maximum

Ability to contribute to a health savings account (HSA)

Question No. 9

Which of the following is **not** true about **both** health savings accounts and health care flexible spending accounts?

Contributions can reduce your federal taxes

Contributions can reduce your FICA taxes

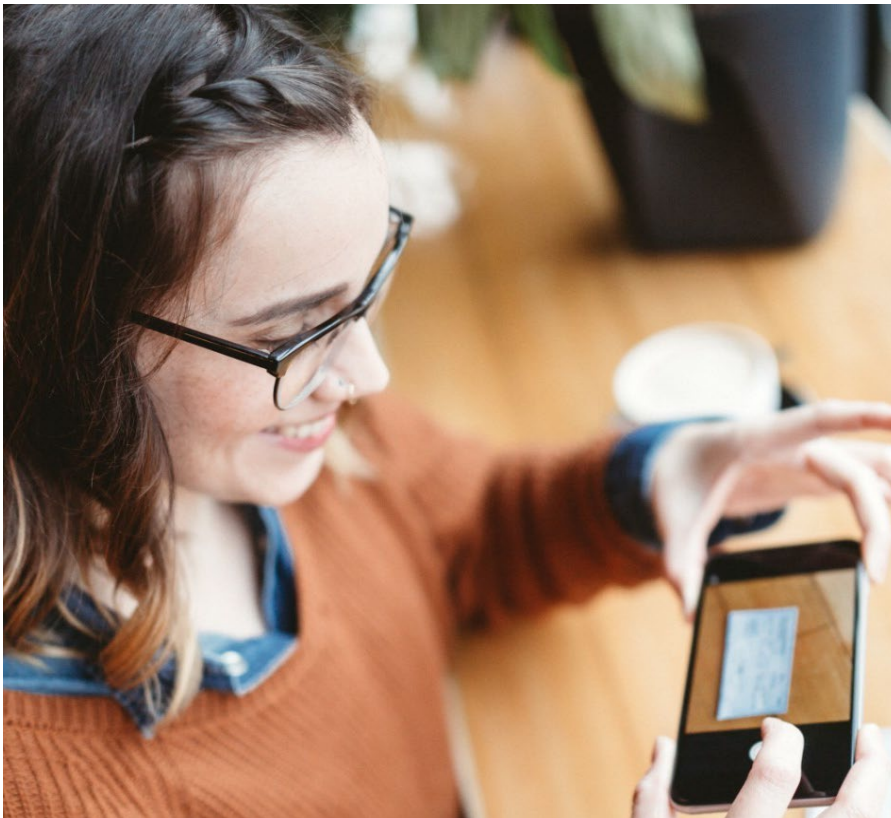
Balances can be invested for future growth

Balances can be used to pay for qualified over-the-counter health care expenses



Question No. 10

Which of the following is true regarding tax withholding?



The larger your tax refund, the better you planned your withholding

You can change your W-4 as often and whenever you want

Owing even \$100 is a sign your tax planner is no good

Unless you owed money last year, there's no need to revisit your tax withholding

Question No. 11

Which of the following has the *least* impact on federal financial aid eligibility for college?

401(k) assets held in the parents' name

529 plan assets held in the parents' name

Mutual funds held in the parents' name

Cash held in the child's name



Question No. 12

Which of the following is ***not*** a tax-advantaged retirement savings vehicle?

Roth IRA

457 plan

Coverdell ESA

403(b) plan



Question No. 13

Which of the following has the greatest impact on investors' long-term investment returns?



Asset allocation of the portfolio

Specific investments in the portfolio

Timing of investment purchases

Investment fees paid

Question No. 14

Which retirement portfolio investment mix is generally considered most appropriate for a 30-year-old?

25% cash, 25% bonds,
50% stock

50% bonds, 50% stock

10% cash, 10% bonds,
80% stock

20% bonds, 80% stock



Question No. 15

At which of the following ages must you begin taking distributions from your traditional IRA?

59 ½

67

70 ½

72



Question No. 16

Which is the earliest age at which you can collect Social Security retirement benefits?

55

62

65

67



Question No. 17

Which part of Medicare do most people not pay a monthly premium for?



Part A, hospital insurance

Part B, medical insurance

Part C, Medicare Advantage

Part D, prescription drug
coverage

Question No. 18

Which of the following is correct regarding Social Security disability benefits?

Benefits begin immediately, once approved

Benefits replace 100% of your annual income

Social Security uses an “any occupation” definition of disability

If covered by Social Security, you don’t need additional disability insurance



Question No. 19

Which type of life insurance is generally the least expensive?

Whole life

Universal life

Variable universal life

Term life



Question No. 20

Which of the following is an *incorrect* statement about wills?



Guardians for children can be named in a will

An executor can be named in the will

A will determines how all assets are passed to heirs

Those without children or significant assets should have a will

Appendix B

Financial Literacy Assessment

Question	Correct	Incorrect
1	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>
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9	<input type="checkbox"/>	<input type="checkbox"/>
10	<input type="checkbox"/>	<input type="checkbox"/>
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12	<input type="checkbox"/>	<input type="checkbox"/>
13	<input type="checkbox"/>	<input type="checkbox"/>
14	<input type="checkbox"/>	<input type="checkbox"/>
15	<input type="checkbox"/>	<input type="checkbox"/>
16	<input type="checkbox"/>	<input type="checkbox"/>
17	<input type="checkbox"/>	<input type="checkbox"/>
18	<input type="checkbox"/>	<input type="checkbox"/>
19	<input type="checkbox"/>	<input type="checkbox"/>
20	<input type="checkbox"/>	<input type="checkbox"/>
Total	<input type="checkbox"/>	<input type="checkbox"/>



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