

Contestant Number: _____

Time: _____

Rank: _____



PERSONAL FINANCIAL MANAGEMENT (165)

REGIONAL 2021

Multiple Choice:

30 @ 2 points each _____ (60 points)

Short Answer:

15 @ 3 points each _____ (45 points)

TOTAL POINTS _____ (105 points)

Test Time: 60 minutes

GENERAL INSTRUCTIONS

The number of decimal places used in calculations and in the reporting of your answers is very important. If a problem varies from these guidelines, it will be noted in the problem.

PERCENTAGE PROBLEMS

- Round to the nearest tenth when working with percentages.

Example: Use 2.3% NOT 2%

Example: An answer of .9638 should be written as 96.4%

INTEREST

- All interest rates are stated in one-year simple interest, *unless otherwise noted*.
- Interest is to be calculated on 360 days.

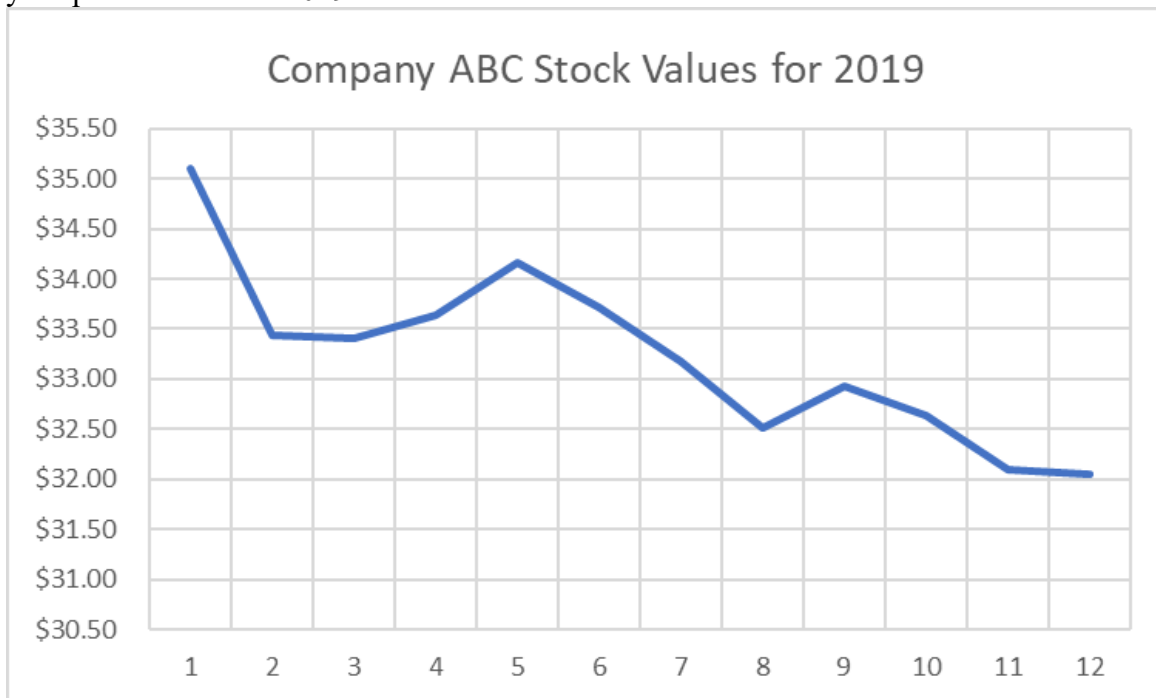
DOLLAR AMOUNTS

- All dollar amounts must be rounded to the second place (nearest cent).

Example: \$35.9765 to \$35.98

Part 1 – Multiple Choice – 2 points each

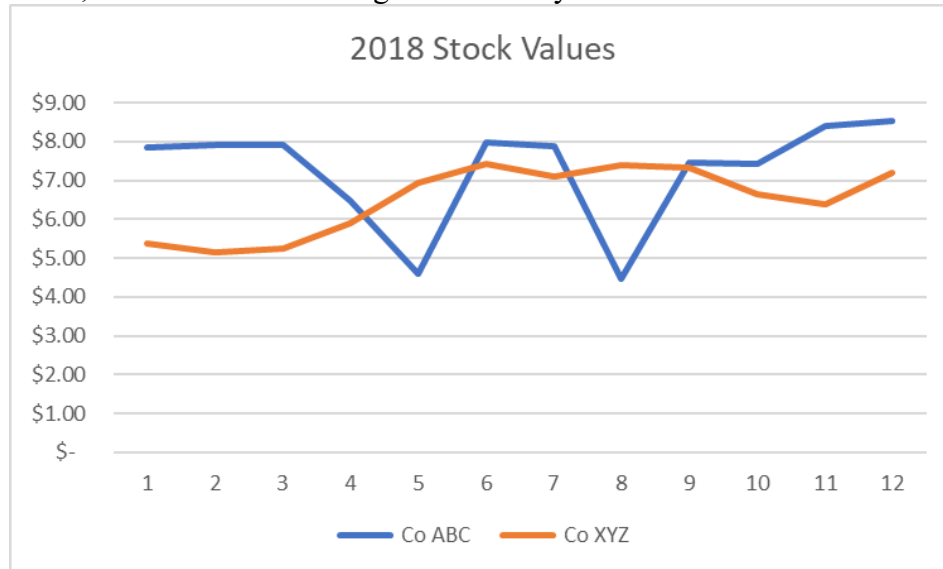
1. You buy 50 shares of a stock on October 1st @ \$72.30 per share. You sold those same shares on December 15 for \$83.13 per share. What was your percentage gained on the transaction, ignoring fees and commissions?
 - a. 10.8%
 - b. 13.0%
 - c. 15.0%
 - d. 21.7%
2. Which of the following would be considered a common *non-monthly* expense that could be included in a monthly budget?
 - a. Utility bill
 - b. Rent
 - c. Vehicle registration
 - d. Gasoline
3. The chart below illustrates the stock values for company ABC during 2019. If you were an investor in this company and owned 1,000 shares, approximately how much total value did your portfolio lose in 2019?



- a. \$3.00
 - b. \$35.00
 - c. \$3,000
 - d. \$3,500
4. The only organizations that can officially submit information about you to a credit reporting agency are banks, credit unions, and other similar lending institutions.
 - a. True
 - b. False

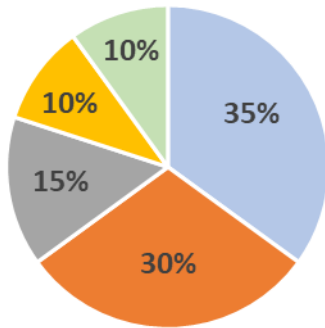
5. Which of the following kind of insurance is *not* considered property and casualty insurance?
 - a. Auto
 - b. Homeowners
 - c. Long-term care
 - d. Flood
6. What are the three major consumer reporting agencies that maintain your credit reports?
 - a. SEC, the FTC, TransUnion
 - b. Experian, the FTC, Equifax
 - c. Equifax, TransAmerica, SEC
 - d. Equifax, TransUnion, Experian
7. Which of the following is typically *not* going to be included in an apartment HOA fee?
 - a. Internet
 - b. Sewer Services
 - c. Water
 - d. Trash Removal
8. Which of the following is the *best* definition for an insurance *premium*?
 - a. An additional provision purchased separate of a traditional policy to add coverage.
 - b. The portion of a claim paid by customers before insurance companies contribute.
 - c. The percentage of a claim an insurance company pays.
 - d. The cost paid by the customer to be covered by an insurance policy.
9. Concerning budgeting and monthly spending, which of the following is the *best* description for the term *discretionary income*?
 - a. All the money you have after paying taxes.
 - b. Money you are obligated to pay for things such as utility bills and debts.
 - c. Funds that were originally budgeted for one purpose but have been changed to go toward another purpose.
 - d. Money you have left after all your mandatory obligations have been covered.
10. Approximately how many years will it take to double your money if you have \$95,000 earning 3% interest?
 - a. 21
 - b. 24
 - c. 26
 - d. 27
11. Which of the following is the *best* definition for an insurance *deductible*?
 - a. An additional provision purchased separate of a traditional policy to add coverage.
 - b. The portion of a claim paid by customers before insurance companies contribute.
 - c. The cost paid by the customer to be covered by an insurance policy.
 - d. The percentage of a claim an insurance company pays.

12. Based on the graph below depicting two different companies and their 2018 stock performances, which of the following is most likely a *true* statement?



- a. Investors who bought Company XYZ stock made more money than those who invested in ABC.
 - b. Company ABC stock is less volatile than Company XYZ stock.
 - c. Only investors who bought stock in Company XYZ made any money.
 - d. Company XYZ was not impacted as severely as Company ABC during economic downturns throughout the year.
13. Chapter 7 bankruptcy is often called _____ bankruptcy because of the low limits of cash and possessions a person can keep after the bankruptcy discharges.
- a. "Realignment"
 - b. "No Asset"
 - c. "Start Over"
 - d. "Liquidity"
14. Which of the following would be considered a variable expense?
- a. Prescription meds
 - b. Entertainment
 - c. HOA fees
 - d. Student loan payments
15. Car insurance companies consider many factors within a demographic population when determining the premiums charged to the group. Which of the following is *not* one of the common factors considered?
- a. Color of your car
 - b. Age
 - c. Gender
 - d. Where you live

16. The pie chart below represents the breakdown of factors contributing to a person's FICO credit score. Which factor makes up 35% of that score?



- Payment History
 - Amounts Owed
 - Length of Credit History
 - Credit Mix
17. Candace's water bill is automatically paid out of her checking account each month when the bill comes due. This is especially nice since the bill is a different amount each month. What feature does she most likely have on her bank account?
- Bill-pay
 - Direct deposit
 - Overdraft
 - Auto-pay
18. If you deposit \$465 for five years with at a simple interest rate of 10%, what is the total balance in your account at the end of those five years?
- \$232.50
 - \$511.50
 - \$578.50
 - \$697.50
19. If you wait long enough, homes will usually become more valuable as long as they are taken care of. What is the term used to describe a house's increase in value over time?
- Inflation
 - Appreciation
 - Depreciation
 - Appraised Value
20. The type of auto insurance that pays for the cost of damage to a car you hit is ____.
- liability
 - collision
 - no-fault
 - comprehensive

21. Which of the following IRS forms is provided by employers at the end of the year so that employees can file federal income taxes?
- Form 1040
 - Form 1099
 - Form W2
 - Form W4
22. Every working American contributes to Social Security.
- True
 - False
23. A 401K program will often invest your retirement money into the stock market.
- True
 - False
24. What two factors determine how much money you are required to pay in federal income tax?
- Your filing status and taxable earnings
 - Your marital status and gross income
 - Your number of dependents and adjusted gross income
 - Your taxable earnings and your adjusted gross income
25. All charitable donations are eligible as a tax deduction.
- True
 - False
26. Which of the following people would *not* have a need for life insurance?
- Married couple that just bought a new home but have no children
 - Single person that rents an apartment and has one young child
 - Single person that owns a house but has no children
 - Married couple that rents a house and have two children
27. Adjustable rate mortgages (ARMs) are often the preferred type of loan for people who do *not* plan on owning their home for long time.
- True
 - False
28. Every month, lenders are required to report what two pieces of information to the credit reporting agencies about your financial standing?
- How much your debt balance is and how long you have been in debt.
 - How many total payments you have made to them and if they have been paid on time.
 - How much debt you owe compared to how much you initially borrowed.
 - What your debt balance is and whether you made your monthly payment on time.

29. An advantage of a Roth IRA is _____.
a. your money grows tax-free
b. you can withdraw the money anytime without penalty
c. your money will increase at the same rate as the S&P 500
d. your employer will match your investment amount
30. Which of the following investments *most likely* contains the highest risk?
a. Blue Chip Stock
b. Certificate of Deposit
c. Government Savings Bond
d. Stock of a Startup Company

Short Answer Problems – 3 points each – Round percentages to the nearest tenth of a percent.

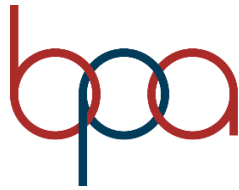
1. Bethany has a health insurance policy with a \$250 monthly premium. Her policy carries a \$1,000 deductible and an 80/20 coinsurance split.
- a. How much does Bethany pay in annual premiums? _____
- b. Bethany's first medical expense this year is \$3,500.
How much will she have to pay? _____
- c. How much will her insurance pay? _____
- d. Bethany's second medical expense this year is \$500.
How much will she have to pay? _____
2. Travis decided to rent an apartment on his own. The rent is \$950 per month. To sign the 12-month lease, Travis must deposit the first and last month's rent up front, as well as a \$500 security deposit, and a \$300 deposit for having a dog.
- a. How much did Travis pay up front to sign the lease? _____
- b. What was the total Travis paid for the apartment? _____

3. Madina has a monthly budget that includes the following expenses:

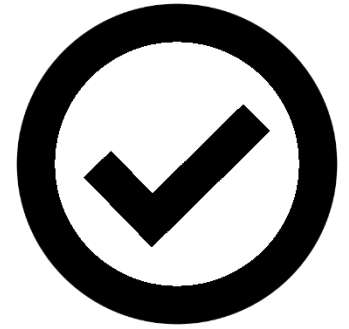
Rent - \$700
Utilities - \$300
College Loan - \$90
Auto Loan - \$285
Gas - \$120
Food - \$425
Insurance - \$200
Internet - \$80

After her monthly expenses, Madina puts \$100 per month into her bank account. She then invests 25% of what is left into a mutual fund. Madina's semimonthly net pay equals \$1,420.

- a. How much does Madina pay for her monthly expenses? _____
 - b. What percentage of Madina's monthly net pay goes toward her expenses? _____
 - c. What is her monthly mutual fund investment? _____
 - d. How much monthly discretionary income will Madina have remaining? _____
4. Jack uses some of his graduation money to purchase stocks. He buys 30 shares of Cycle Corp @ \$75.00, 10 shares of Hills & Dales Inc. @ \$185.00, and 50 shares of PFC Co. @ \$40.00. After one year the stock values showed the following: Cycle Corp - \$80.60; Hills & Dales Inc. - \$189.50; PFC Co. - \$44.20.
- a. Including a 2% broker's fee, how much did Jack spend for the investment? _____
 - b. Which stock represents the largest percentage of his portfolio? _____
 - c. Which stock showed the biggest percentage gain within the year? _____
 - d. What is the value of Jack's stock portfolio after a year? _____
 - e. Ignoring fees, what was Jack's % return on investment after a year? _____



**BUSINESS
PROFESSIONALS**
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Giving Purpose to Potential



PERSONAL FINANCIAL MANAGEMENT

(165)

REGIONAL 2021

Multiple Choice:

30 @ 2 points each _____ (60 points)

Short Answer:

15 @ 3 points each _____ (45 points)

TOTAL POINTS _____ (105 points)

Test Time: 60 minutes

Multiple Choice – 2 points each

1. C
2. C
3. C
4. B
5. C
6. D
7. A
8. D
9. D
- 10.B
- 11.B
- 12.D
- 13.B
- 14.B
- 15.A
- 16.A
- 17.D
- 18.D
- 19.B
- 20.A
- 21.C
- 22.B
- 23.A
- 24.A
- 25.B
- 26.C
- 27.A
- 28.D
- 29.A
- 30.D

Short Answer – 3 points each

1. a. 3,000
b. 1,500
c. 2,000
d. 100
2. a. 2,700
b. 12,200
3. a. 2,200
b. 77.5%
c. 135
d. 405
4. a. 6.222
b. Cycle Corp
c. PFC Co.
d. 6,523
e. 6.9%