

Personal Management Merit Badge

Review Questions

A **GOAL** needs three elements. What are they?

1) _____

2) _____

3) _____

If you deposited \$1,000 in each of the following types of savings or investment vehicles at the same time, which one would most likely be worth the most after 10 years?

- a. Bank Checking Account
- b. Bank Savings Account
- c. 5-year Certificate of Deposit
- d. Stocks

Which of the following types of interest would you rather earn on your savings account?

- e. Simple Interest
- f. Compound Interest
- g. Passing Interest
- h. No Interest

Which of the following is generally used to accumulate large sums over a long period of time?

- i. Saving
- j. Investing
- k. Stashing cash under your mattress
- l. Burying money in a coffee can in the back yard

Rank the following in order from the least risky to the most risky:

- m. Investing in Stocks
- n. Stashing cash under your mattress
- o. Buying investment grade corporate bonds
- p. Putting money into a bank savings account

Loaned or Owned

Mark L or O for each investment type.

Bank Savings Account.... _____

Shares of Stock.... _____

Real Estate... _____

Commodities... _____

Certificate of Deposit... _____

U.S. Savings Bonds... _____

Shares of a Mutual Fund... _____

Corporate Bonds... _____

A Personal Business... _____

Which type of card lets you purchase something now....

at almost any store and pay for it later? _____

with money that is already in you account? _____

at a specific store and pay for it later? _____

Which type of life insurance..... (Term life, or Permanent life)

Is only good for a certain period of time? _____

Is the least expensive? _____

Can you sometimes borrow against? _____

Has part of the premiums invested? _____

Builds up a cash value? _____

The type of Auto insurance required by law....

- A) Comprehensive B) Mechanical C) Collision D) Liability

This type of insurance is most often provided by the employer if you work full time

- A) Auto B) Homeowners C) Medical D) Disability

Rental Insurance covers the

- A) Building structure regardless of cause
- B) Building structure from fire
- C) Building structure from flood
- D) Contents of a home or apartment

Which type of insurance replaces part of the money you would lose if you weren't able to work because of sickness or injury? _____

Are you old enough to:

open a savings account? _____

get a debit card? _____

get a credit card? _____

have life insurance? _____

What is impulse buying? _____
