Personal Finance Essentials

Finance · Practice Test · 8 Questions

1. What is the term for money that a person or business earns, usually from working or investments?

A) Debt
B) Income
C) Expense
D) Tax

2. What is a bank account that is designed to hold money for future use rather than for daily spending?

A) Savings account
B) Credit card
C) Mortgage
D) Loan

3. Which of these is a mandatory payment made by individuals and businesses to the government to fund public services?

A) Interest
B) Profit
C) Tax
D) Dividend

4. What is the term for the amount of money a person owes to another party?

A) Asset
B) Budget
C) Debt
D) Revenue

5. What is a plastic card that allows you to borrow money from a bank up to a certain limit to make purchases?

A) Debit card
B) Credit card
C) Gift card
D) Membership card

6. What does 'interest' represent in a banking context?

A) A fee paid for borrowing money or a return earned on savings
B) The total amount of tax owed
C) The cost of printing paper money
D) A discount on store items

7. What is a 'budget' primarily used for?

A) Investing in the stock market
B) Tracking income and expenses to manage money
C) Borrowing money from a bank
D) Paying off a home loan

8. What is the primary currency used in the United States?

A) Euro
B) Yen
C) Dollar
D) Pound