## Student Activities

## Lesson Ten

Saving And Investing

## Short-range goal (within 1 month)

Goal: $\qquad$

Estimated Cost \$ $\qquad$

Target Date \$ $\qquad$

Monthly Amount \$ $\qquad$

Medium-range goal (2-12 months)
Goal: $\qquad$

Estimated Cost \$ $\qquad$

Target Date \$ $\qquad$

Monthly Amount \$ $\qquad$

## Long-range goal (more than 1 year)

Goal: $\qquad$

Estimated Cost \$ $\qquad$

Target Date \$ $\qquad$

Monthly Amount \$ $\qquad$
$\qquad$

## calculating interest

Calculate the interest earned in the examples below.

1. You put $\$ 200$ in a savings account that pays $5 \%$ simple interest each year. How much interest will you earn in five years?
$\qquad$ $\mathbf{x}$ $\qquad$ $\mathbf{x}$ $\qquad$ $=$ $\qquad$

## Deposit x Interest Rate x Number of Years = Interest Earned

What will the total value of your account be? $\qquad$
2. You put $\$ 150$ in a savings account that pays $6 \%$ compounded yearly. How much interest will you earn in three years?
$\qquad$ $+$ $\qquad$ ) $x$ $\qquad$ $=$ $\qquad$
$($ Deposit + Earned Interest) $\times$ Interest Rate $=$ Interest Earned
$\qquad$ $+$ $\qquad$ ) x $\qquad$ $=$ $\qquad$
(Deposit + Earned Interest) x Interest Rate = Interest Earned
$\qquad$ $+$ $\qquad$ ) x $\qquad$ $=$ $\qquad$
$($ Deposit + Earned Interest) x Interest Rate $=$ Interest Earned
What will the total value of your account be?

$\qquad$
3. You put $\$ 1000$ into a savings account that pays $6.5 \%$ simple interest rate each year. How much will you have in your account at the end of twelve years?
$\qquad$ $x$ $\qquad$ x $\qquad$ $=$ $\qquad$

## Deposit $x$ Interest Rate $x$ Number of Years = Interest Earned

What will the total value of your account be? $\qquad$

## savings choices

directions
In the space provided, write the letter of the savings account or savings method the statement represents. You may use a letter more than once.

1. $\qquad$ A combination of a checking and savings account. Interest rates vary with the size of the balance.
2. $\qquad$ Combines the benefits of a checking and savings account. Interest is paid each month on unused money in the account.
3. $\qquad$ Interest rates are usually the same as passbook account.
4. $\qquad$ Bank pays a fixed amount of interest, on a fixed amount of money, for a fixed amount of time.
5. $\qquad$ Interest rate is usually lower than passbook or statement accounts.
6. $\qquad$ Penalty is usually charged if money is withdrawn before expiration date.
7. $\qquad$ A booklet must be presented for every deposit or withdrawal.
8. $\qquad$ The account holder can only write a limited number of checks each month.
A. Passbook account
B. Statement account
C. Interest-earning checking
D. Certificate of Deposit
E. Money-market account
$\qquad$

## lesson $\mathbf{1 0}$ quiz: saving your money

choose the correct answer.

1. __ "Paying yourself first" refers to:
a. saving money on a regular basis.
b. buying what you want when you get paid.
c. putting money in a checking account to pay bills.
d. putting your whole paycheck into savings immediately.
2. Which of these are not factors to consider when choosing a savings account?
a. interest rates
b. fees, charges, and penalties
c. balance requirements
d. passbook prices
3. ___ The lowest interest rate is usually earned on a:
a. money-market account.
b. passbook account.
c. certificate of deposit.
d. checking account.
4. __ The highest interest rate is usually earned on a:
a. money-market account.
b. passbook account.
c. certificate of deposit.
d. checking account.
5. __ An advantage of putting savings in a Certificate of Deposit (CD) is that:
a. there is no access to the money during a set period of time.
b. it is risk-free.
c. it is very risky but pays high interest.
d. it has a penalty to withdraw money early.
$\qquad$

## lesson 10 quiz: investing your money

choose the correct answer.

1. How many years would it take money earning 6 percent interest to double? Use the rule of 72 .
a. 6 years
b. 8 years
c. 9 years
d. 12 years
2. _ The amount of money received from an investment is called:
a. a portfolio.
b. the return.
c. an individual retirement account.
d. all of the above.
3. Which of these pays investors a fixed interest rate for a fixed period of time?
a. Stocks
b. Bonds
c. Mutual funds
d. IRAs
4. -_ Which of these allows an investor to own a part of a company?
a. Stocks
b. Bonds
c. Mutual funds
d. IRAs
5. __ Professionally-managed portfolios made up of a variety of investments are called:
a. Stocks.
b. Bonds.
c. Mutual funds.
d. IRAs.
