**Student Activities** 







# setting your financial goals

Short-range goal (within 1 month)				
Goal:				
Estimated Cost \$				
Target Date \$				
Monthly Amount \$				
Medium-range goal (2-12 months)				
Goal:				
Estimated Cost \$				
Target Date \$				
Monthly Amount \$				
Long-range goal (more than 1 year)				
Goal:				
Estimated Cost \$				
Target Date \$				
Monthly Amount \$				



# calculating interest



**directions** 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?

	X	X	=	
Deposit	x Interest Rate	x Number of Years = Ir	iterest Earned	
What w	ill the total valu	e of your account be? _		
	ut \$150 in a sav in three years?	ings account that pays 6	% compounded yearly. How muc	ch interest will
(	+	) x	=	
(Deposi	t + Earned Inte	rest) x Interest Rate = I	nterest Earned	
(	+	) x	=	
(Deposi	t + Earned Inte	rest) x Interest Rate = I	nterest Earned	
(	+	) x	=	
(Deposi	t + Earned Inte	rest) x Interest Rate = I	nterest Earned	
What w	ill the total valu	e of your account be? _		

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?

\_\_\_\_\_x \_\_\_\_ = \_\_\_\_\_ Deposit x Interest Rate x Number of Years = Interest Earned What will the total value of your account be? \_\_\_\_\_



# 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. \_\_\_\_\_ A combination of a checking and savings account. Interest rates vary with the size of the balance.
- 2. \_\_\_\_ Combines the benefits of a checking and savings account. Interest is paid each month on unused money in the account.
- 3. \_\_\_\_\_ Interest rates are usually the same as passbook account.
- 4. \_\_\_\_\_ Bank pays a fixed amount of interest, on a fixed amount of money, for a fixed amount of time.
- 5. \_\_\_\_\_ Interest rate is usually lower than passbook or statement accounts.
- 6. \_\_\_\_\_ Penalty is usually charged if money is withdrawn before expiration date.
- 7. \_\_\_\_\_ A booklet must be presented for every deposit or withdrawal.
- 8. \_\_\_\_\_ 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



### lesson 10 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.



### 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.