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 $ _____________
name: ____________________________  date: ______________

**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?

\[
\text{Deposit} \times \text{Interest Rate} \times \text{Number of Years} = \text{Interest Earned}
\]

What will the total value of your account be? _________________________________

2. You put $150 in a savings account that pays 6% compounded yearly. How much interest will you earn in three years?

\[
(\text{Deposit} + \text{Earned Interest}) \times \text{Interest Rate} = \text{Interest Earned}
\]

What will the total value of your account be? _________________________________

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

\[
\text{Deposit} \times \text{Interest Rate} \times \text{Number of Years} = \text{Interest Earned}
\]

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 _____ Penalty is usually charged if money is withdrawn before expiration date.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.