

PRE+

**POST-QUIZ - Circle the correct answer**



1	The finance charge for using a credit card is usually a higher rate than for using other forms of credit.	True	-----	False
2	When you write a check, it should be recorded in the check register: A. At the end of the month B. At the time the check is written C. When you receive your bank statement	A	B	C
3	A check written for \$100.45 should be written out as: A. One hundred forty-five and no/100 dollars B. One hundred and 45/100 dollars C. One hundred and no dollars	A	B	C
4	If I always pay my bills on time, there is no reason to track my expenses.	True		False
5	The safest place to keep money is A. In a bank B. In the mattress C. In my wallet or purse	A	B	C
6	A good way to repair my credit is to: A. File for bankruptcy B. Make a plan to pay off all my debts C. Find an agency that promises to clean up my credit	A	B	C
7	The APR (Annual Percentage Rate) for cash advances on a credit card is almost twice that of the APR on payment for regular purchases.	True		False
8	It is a good idea to loan money to family members because they are most likely to pay me back with interest.	True		False
9	Setting a financial goal includes which one of the following: A. Setting a realistic time frame to achieve the goal B. Opening a Go Fund Me account to ask for help C. Saving whatever money I have left over at month end	A	B	C
10	When you have a checking account, you should reconcile transactions: A. Daily B. Weekly C. Monthly	A	B	C
11	It is not necessary to keep a running balance of your checking account, since you can find your current balance online or at the ATM at any time.	True		False
12	A low credit score will mean you will pay lower interest rates on borrowed money.	True		False
13	I can become self-sufficient if I borrow the money I need to keep my bills current.	True		False

14	To save a down payment of \$2,500 for a car with \$1,300 already saved and saving of \$150 each month, how long will it take to save the down payment? A. 6 months B. 8 months C. 10 months	A	B	C
15	Transferring credit card debt to lower interest cards is a great way to keep on top of my debt and has no effect on my credit score.	True		False
16	Your credit rating is not affected by how much you charge on your credit card, but is only affected by how timely you make your payments.	True		False
17	The best way to build my credit rating is to A. Borrow money from my friend paying it back over time B. Take out a secured credit card from a bank C. Buy a car from a place that accepts bad credit	A	B	C
18	If I cannot pay my bill, I should A. Wait until I have money and then pay it B. Send in a partial payment C. Negotiate with my creditor immediately	A	B	C
19	The purpose of goal setting in financial planning is A. To provide direction for planning and action B. To limit what you can spend on entertainment C. To increase spending essentials of food and shelter	A	B	C
20	Planning to use my tax refund is a great financial plan which will get me out of debt.	True		False
21	Paying any of your bills late may make it more difficult and more expensive to take out a loan.	True		False
22	If your credit card is stolen and someone uses it before you report it missing, you are only responsible for \$50, no matter how much may be charged on it by others.	True		False
23	You should have an emergency cash fund that covers three to six months of normal living expenses.	True		False
24	Banks usually notify you (via email or telephone) if you write a check that overdraws your account.	True		False
25	Social Security is calculated in such a way to provide recipients with enough money for a reasonable retirement income.	True		False
26	The best thing you can do to improve your credit score is to pay your bills on time.	True		False
27	The widespread financial insecurity of Americans is primarily because the saving rate of Americans is low and many borrow in order to spend more than they earn.	True		False
28	Always paying my rent on time will result in getting one month of free rent.	True		False



## Bank Checkbook Register Exercise

Record checks and deposit in the Check Register:

AD-Automatic Deposit • AP-Automatic Payment • ATM-Cash Withdrawal • DC-Debit Card • FT-Funds Transfer • SC-Service Charge • TD-Tax Deductible							
NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT, FEE, WITHDRAWAL (-)		DEPOSIT, CREDIT (+)	\$ 514.25	
AD	7/1	Pay			1239 <sup>36</sup>		
						1753	61
101	7/1	Joe Landlord Rent	700	00			
						1053	61
ATM SC	7/4	Elk Someplace	50	00			
			4	00			
						999	61
102	7/5	Town of EP Electricity	92	65			
						906	96
DB	7/7	Safeway groceries	57	36			
						849	60
AP	7/25	Fred's Bank Auto loan	213	85			
						635	75

- Your beginning balance for the month is \$514.25
- On 7/1 you get paid \$1,239.36
- On 7/1 you pay your rent to Joe Landlord, check #101 for \$700.00
- On 7/4 you use the ATM at Elk Something Place to get \$50.00. You can't get to your own ATM, so you incur a \$4.00 charge at the ATM.
- On 7/5 you write a check #102 to Town of Estes Park to pay your electricity bill. The amount is \$92.65
- On 7/7 you use your debit card at Safeway to buy groceries for \$57.36
- On 7/15 Fred's Bank auto-withdraws your car payment of \$213.85



# FRED'S BANK

123 Elkhorn Drive  
Estes Park, CO 80517  
(800) FRE-DBNK

## STATEMENT

July 1, 2014 - July 31, 2014

Account #123-4567-80

## Bank Reconciliation Exercise

Elvis Presley  
PO Box 1687  
Estes Park, CO 80517

Beginning Balance as of July 1, 2014	\$ 514.25
Total Deposits	\$ 1,269.36
Total Withdrawals	\$(1,279.90)
Ending Balance as of July 31, 2014	\$ 503.71

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### Deposits

7/1	Payroll Direct Deposit XXXX-XXX1234562	\$1,239.36
7/20	Deposit	\$ 30.00
<b>Total Deposits</b>	<b>2</b>	<b>\$1,269.36</b>

### Electronic Withdrawals

7/4	ATM - Elk Something Place	\$ 54.00
7/4	ATM Service Fee	\$ 2.50
7/7	Safeway	\$ 57.36
7/15	Fred's Bank Loan Payment	\$ 213.85
7/16	AT&T	\$ 55.27
<b>Total Withdrawals</b>	<b>5</b>	<b>\$ 382.98</b>

### Checks

7/1	101	\$700.00
7/5	102	\$ 92.65
7/20	103	\$104.27
<b>Checks</b>	<b>3</b>	

### Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE
						\$ 514.25
DEP	7/1	Direct Deposit Pay			1239.36	1,753.61
101	7/1	Joe Landlord July Rent	700.00			1,053.61
ATM	7/4	Cash - 50 Elk Place ATM Fee	54.00			999.61
102	7/5	Town of Estes Park Electricity	92.65			906.96
DEBIT	7/7	Safeway Groceries	57.36			849.60
AWD	7/15	Fred's Bank Car Loan	213.85			635.75
EPMT	7/16	AT&T cell phone	55.27			580.48
DEP	7/20	Some Company Rebate			30.00	610.48
103	7/20	Safeway Groceries	104.27			506.21
DEP	7/30	Grandma Birthday			25.00	531.21
Debit	7/31	Shell Gas	59.85			471.36
ADJ	8/1	ATM Fee		2.50		468.86

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## Spending Leaks Exercise

It's important to identify where your money is going so that you can stop the spending leaks and start saving for retirement and unexpected expenses. Begin today by keeping track of where you are spending your money. Keep track for one week. Try it for four weeks. Then, do the math and find out how much you're spending in a year! It is not deprivation! Your life will still be rich and you will have the essentials, plus more.



Item	Cost Per Item	Number of Items Per Week	Cost Per Week (cost per item x number of items per week)	Cost Per Year (cost per week x 52)
Soda, energy drinks, coffee	\$ 3	5	\$ 15	\$ 780
Dining out	\$ 10	3	\$ 30	\$ 1,560
Fast food	\$ 6	2	\$ 12	\$ 624
Vending machines	\$		\$	\$
Habits (cigarettes, alcohol, lottery tickets)	\$ 5	7	\$ 35	\$ 1,820
Magazines, books (including downloads)	\$		\$	\$
Downloads (cellphone ringtones, games, apps, videos)	\$		\$	\$
DVD rental, movie downloads	\$		\$	\$
Clothes, shoes, uniforms	\$		\$	\$
Dry cleaning	\$		\$	\$
Hair, nails, facials, massages	\$		\$	\$
Toiletries	\$		\$	\$
Movie tickets, entertainment	\$		\$	\$
Camping trip	\$		\$	\$
Gifts	\$		\$	\$
Other:	\$		\$	\$
Other:	\$		\$	\$
Other:	\$		\$	\$
<b>TOTAL</b>	\$		\$	\$

[http://www.nehemiahgateway.org/pdfs/Spending\\_Leaks\\_Worksheet.pdf](http://www.nehemiahgateway.org/pdfs/Spending_Leaks_Worksheet.pdf)

If you are in DEBT, create a plan

# Debt Payoff Worksheet

Debt Name	Start Balance	Payment	Date	New Balance
Medical Bill	1,532	25 (+10)	1/16	1497
Credit Card	2,419	20	1/16	2399

1. Do not take on any new debt.
2. Only charge what you can pay off at the end of the month.
3. Identify all debt, creditor, amount, interest rate, minimum payment.
4. Make all minimum payments
5. Prioritize your extra payments (highest balance? highest interest rate? lowest balance?)
6. Create a payoff plan.
7. As each debt is paid off, power the extra money to the next priority.
8. Stick to the plan and celebrate as you reduce your debt.

*(Extra \$10 payment of Debt 1. When paid off - apply \$35 (25+10) to second debt.*