**Banking & Finance Quiz - 20 points**

**NAME\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_DATE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Test Your Financial Literacy Quotient**

Every day, consumers conduct some type of financial transaction that requires an educated decision: shopping for a mortgage or auto loan; understanding and reconciling credit card statements and telephone bills; picking a gym; choosing a retirement plan; comparing health insurance policies; understanding their credit report and how it affects their ability to get credit and at what terms; or deciding whether to pay for a purchase by cash, or credit or debit card. Test your financial literacy with the quiz below.  
  
  
**QUESTIONS:**  
  
  
**1. A credit report is:**  
a. A list of your financial assets and liabilities  
b. Your monthly credit card statement  
c. A loan and bill payment history  
d. Your credit line with your financial institution  
  
 **2. In terms of credit, what does APR stand for?**  
a. Annual Percentage Rate  
b. Annual Penalty Rate  
c. Annual Payment Rate  
d. Annual Payoff Rate  
  
  
**3. Who insures your stocks in the stock market?**  
a. The Federal Deposit Insurance Corporation  
b. The Securities and Exchange Commission  
c. The U.S. Department of the Treasury  
d. No one  
  
  
**4. True or False: Federal law gives you three days to cancel the purchase of a new or used car from a dealer.**  
  
  
**5. True or False: The type of car you own affects the price you pay for auto insurance**.  
  
  
**6. A reverse mortgage is:**  
a. a rising debt loan  
b. only available to someone 62 years of age or older  
c. generally not tied to income  
d. all of the above  
  
  
**7. How many days does a creditor have to acknowledge your written complaint about a billing error?**  
a. 30 days  
b. 60 days  
c. 90 days  
d. 120 days

**8. If your credit card was lost or stolen and used to charge items you didn’t authorize, you are responsible for what amount?**  
a. Up to $50  
b. Up $100  
c. Up to $500  
d. All unauthorized charges  
  
  
**9. Negative financial information can stay on your credit report for\_\_\_ ?**  
a. 2 years  
b. 5 years  
c. 7 years  
d. 10 years  
  
  
**10. What do “points” refer to in the home mortgage application process? (4 points)**

**11. True or False: Federal law requires that warranties be available for you to read before you buy a product.**  
  
  
**12. True or False: Each state has a law that lets pharmacists substitute less expensive generic drugs for many brand name products.**   
  
  
**13. True or False: By using unit pricing at the grocery store, you can easily compare the cost of any brand and any package size.**  
  
 **14. True or False: The recommended gasoline for most cars is regular octane.**   
  
  
**15. True or False: All telephone numbers that begin with an “8” are toll-free.**  
  
  
**16. In financial transactions, a CD is a:**  
a. Certificate of Debt  
b. Certificate of Deposit  
c. Citizen’s Deposit  
d. Certificate of Collateral  
  
  
**17. True or False: The “Rule of 72” tells you how long it will take to double your money.**