

SAVINGS VOCABULARY QUIZ

Name: _____ Date: _____ Period: _____

- 1) An accomplishment in a short period of time, such as trying to get a bill paid in the next few days is a _____ short-term goal_____.
- 2) The ___time value of money_____ is the idea that money available at the present time is worth more than the same amount in the future, due to its potential earnings.
- 3) An obligation or liability to pay or render something to someone else is called a _____debit_____.
- 4) ___Expenditures_____ are payments of cash or property, or the incurrence of a liability to obtain an asset or service.
- 5) Safe money investments accounts used for short-term goals are known as ___savings accounts_____.
- 6) ___Money market funds_____ are similar to bank savings accounts available from mutual fund companies and usually get a better return.
- 7) The ease and speed with which savings or other investments can be turned into cash is called ___liquidity_____.
- 8) The ___Federal Deposit Insurance Corporation –FICA_____ is a United States government corporation that provides deposit insurance, which guarantees the safety of deposits in member banks.
- 9) Short-term investment account in which the bank typically pays a higher rate of interest than a savings account is known as a ___money market account__.
- 10) The process of setting aside a portion of current income for future use is ___savings_____.
- 11) A ___mutual fund company_____ is a professionally managed type of collective investment scheme that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, and/or other securities.
- 1 2) An ___investment_____ is the process of exchanging income for an asset that is expected to produce earnings at a later time.
- 13) With a _____certificate of deposit (CD)___the bank holds your money for a set period of time but unlike a normal savings account, you may not withdraw your money at any time or you will be subject to withdrawal fee.
- 14) A goal that you will achieve over a longer period of time, such as one to five years, is a ___long-term goal_____.
- 15) ___Assets_____ are the entire property owned by a person, especially during a bankruptcy, that can be used to settle debts.
- 16) The amount by which an individual's assets exceed their liabilities is a person's _____net worth_____.
- 17) ___Income_____ is the amount of money or its equivalent received during a period of time.

18) The Rule of 72 is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest.

19) Liabilities are things for which one is liable; an obligation, responsibility, or debt.