

Basics of Personal Finance

Section 2 Quiz

Correct answers are in red

Which type of financial institution is actually owned by its members and usually offers better interest rates?

- Banks
- **Credit Unions**
- Savings and Loans
- Mortgage Lenders

True or False - There is almost never a limit on the number of times you can make transactions in and/or out of a Money Market account.

- True
- **False**

Which of the following is NOT a characteristic of a Certificate of Deposit?

- There are penalties for removing money early
- They usually pay higher interest rates
- **They are generally not for a specific period of time**

If your bank rejects making a payment from your checking account because there is not enough funds in the account, this is called

- Overdraft
- **Return for NSF**
- Being mean

True or False - The seller will usually not know if you don't have enough money in your account to cover a purchase, if your bank charges you an Overdraft Fee.

- **True**
- False

Who makes the first payment to the vendor if you make a purchase using a Debit Card?

- **You - The money comes directly from your bank account.**
- The Debit Card company. They pay it first and get it back from you later.

All of the following are true about Annual Percentage Rates (APR) EXCEPT:

- It is the percent of the original purchase you are paying if the charge isn't paid within a year
- It is calculated and added to the balance every month
- Next month, the interest is calculated on the entire balance (including previous interest)

- APR is legally not allowed to exceed 19%

Which is true about Credit Card Reward Systems...

- They are designed to attract customers
- They can be in the form of points or miles
- They can be cash
- All of these

True or False - Your cell phone can be used to make Mobile Payments?

- True
- False

Prepaid Cards can be offered by...

- Online stores
- Stores that have a physical location
- Banks or other finance companies
- All of these