

## 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.
- 12) 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.