

Section 1: Debit and Credit (CE.PFL.1.3, CE.PFL.1.4)
--

1. Explain the difference between credit and debit.

2. Explain the difference between checking and savings accounts.

3. Give two tips for managing a checking account (debit card) wisely.
 -
 -

4. Describe the two things you can do that will have the most **positive effect** on your credit score.
 -
 -

5. Describe the two things you can do that will have the most **negative effect** on your credit score.
 -
 -

6. From the sample credit card statement,
 - The maximum the person can borrow in any money is _____.
 - To maintain the best credit, this person should pay off _____ by the due date.
 - To avoid penalty, the person must pay at least _____ by the due date.
 - What two things will happen if the person does not make any payment?
 - Why will the person end up paying a total of \$849 by making only the minimum payment for 7 years?

Vocabulary: Define and explain the importance.

- ❖ Collateral
- ❖ Credit score
- ❖ Interest
- ❖ Mortgage

ACCOUNT SUMMARY

[REDACTED]	
Previous Balance	\$360.75
Payment, Credits	-\$360.75
Purchases	+\$507.35
New Balance	\$507.35
Opening/Closing Date [REDACTED]	
Total Credit Line	\$11,000
Available Credit	\$10,492
Cash Access Line	\$2,200
Available for Cash	\$2,200

PAYMENT INFORMATION

New Balance	\$507.35
Payment Due Date	07/24/10
Minimum Payment Due	\$10.00

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 late fee and your APRs will be subject to increase to a maximum Penalty APR of 29.99%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	7 years	\$849
\$18	3 years	\$645 (Savings=\$204)

If you would like information about credit counseling services, call 1-866-797-2885.

Section 2: Investments (CE.PFL.1.5, CE.PFL.1.6)

- Ownership shares of corporations are _____.
- How do mutual funds decrease the risk of stocks? How do they decrease the reward?
 -
 -
- Why do CDs offer higher interest rates than savings accounts? What is the risk?
 -
 -
- A loan of money to the government is a _____.
- What are two advantages to keeping your money in savings, rather than holding on to large amounts of cash?
 -
 -
- Why should a person start investing young and make regular monthly contributions?

7. With investments, the greater the _____, the greater the _____.

Vocabulary:

- ❖ Bear market
- ❖ Bull market
- ❖ Disposable income
- ❖ Dividends
- ❖ Dow Jones
- ❖ FDIC

Section 3: Frauds and Protection (CE.PFL.2.1, CE.PFL.2.2, CE.PFL.2.3, CE.PFL.2.4)

1. How can consumers protect themselves against identify theft? (More than one way)
2. In a _____, a person continually must find new investors to pay off the unreasonable rates of return promised to earlier investors. Eventually, the system will collapse.
3. With _____, a person uses another person's accounts and personal information to make fraudulent purchases.
4. With _____, a person uses his/her knowledge as an employee or member of the board of directors to make decisions about when to buy and sell stock.
5. With _____, a person creates a situation that seems to be an accident for the purpose of making money from an insurance claim.
6. The National _____ list gives consumers legal protection against unwanted solicitations over the phone.
7. The _____ guarantees consumers the right to see their credit score, the reasons for the score, and the procedures for disputing errors.
8. The _____ enforces investment laws on stocks and securities.
9. The _____ exists to mediate disputes between businesses and customers and compile a record of complaints against local businesses.
10. The Affordable Care Act of 2009 requires all American to have _____ insurance.
11. What would increase the cost of a person's car insurance? What about life insurance?
 -
 -

Section 4: Unit 7 / 8 Distribute Practice

1. Name an example of a fixed cost:
2. Name an example of a variable cost:
3. To encourage the economy to expand, the Federal Reserve would likely _____ the discount rate and _____ government bonds.
4. To encourage the economy to expand, the Congress would likely _____ taxes and _____ government spending.
5. What does GDP stand for? What does it measure? What does it not measure?
 -
 -
 -
6. Per capita GDP is _____ divided by _____. It measures the _____ of a country.
7. _____ means “leave alone” or “hands off” - the government should not regulate the economy
8. Complete the chart of economic systems:

Economic System	Basic economic questions are answered by ...
	The government
	The people, with government involvement and regulation
	The people, with no government involvement
	Custom, family / household units