Financial Lit Quiz 1 Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Matching (1 point Each)**

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| --- | --- |
| 1. Compound Interest | 1. something that motivates you |
| 1. Income | 1. unlimited wants with limited resources |
| 1. Long Term Investment | 1. the decision you make to spend now or save |
| 1. Saving vs. Spending | 1. steps to map out your ideas |
| 1. Incentives | 1. Investments held at least 10 years |
| 1. Opportunity Cost | 1. making a decision |
| 1. Voluntary Exchange | 1. amount of money you make in a year |
| 1. Choice | 1. your choice to buy, sell or trade |
| 1. Decision Making Model | 1. Interest on interest |
| 1. Scarcity | 1. what you give up to get your 1st choice |

**How to Really be a millionaire T/F questions (1 point each)**

1. Most millionaires are college graduates.
2. Most millionaires work less than 40 hours a week.
3. Most millionaires drive expensive new cars.
4. Many poor people become millionaires by winning the lottery.
5. Millionaires tend to be single rather than married.

**Economic Way of Thinking Questions (2 points each)** - Most High school students believe that school is boring. Yet most students graduate from high school. Why do students stay in school if it’s so boring? Please answer the following questions regarding high school in complete sentences.

1. What is the cost of staying in school?
2. What is the cost of dropping out of school?
3. What incentives encourage people to stay in school?
4. How does our economy encourage people to stay in school?
5. Is going to High school voluntary, or are you required to go to school?
6. Why would some people choose to drop out of school?
7. Why do most students choose to stay in school and graduate?
8. What are the possible future consequences of dropping out of school?

**5 Step Decision Making Process** – Please use the 5 step decision making process to decide if you should finish this quiz or not. (5 points)

Extra Credit: In the space below Please draw a Purple and Teal Panda.