1. **When preparing her monthly budget, Maria Kent has projected income of $4,600. Each month she pays $1,000 in rent, $58 for life insurance, and $250 for her auto loan. What percentage of her budget goes for these fixed expenses?**
2. 28 percent
3. 23 percent
4. 25 percent
5. 22 percent
6. **The Garcia family budgets $428 a month for food. Last month they spent $401, which creates a:**
7. balanced budget.
8. budget deficit of $401.
9. budget surplus of $27.
10. budget deficit of $27.
11. **If a family planned to spend $400 for food during April but only spent $350, this difference would be referred to as a:**
12. surplus.
13. deficit.
14. fixed living expense.
15. budget reduction.
16. **You spend $10 each weekday for lunch and snacks while attending classes. How much should a realistic budget account for you spending on this over the course of an 8-week semester?**
17. $50
18. $500
19. $560
20. $400
21. **If you invest $480 and receive a 11% APR (annual percentage rate), what will your balance be at the end of the year?**
22. $591.41
23. $591.52
24. $532.80
25. $480.11
26. **If you have $3,600 today with an APY of 10%, how much will you have one year from now?**
27. $3,860.00
28. $3,960.00
29. $3,760.00
30. $4,160.00
31. **If your parents deposited $15,100 into an account for you when you were born as part of a college savings fund and that account is earning 9% annually, how much will you have in your college savings fund on your 17th birthday?**
32. $80,860.50
33. $65,347.26
34. $87,816.41
35. $60,706.96
36. **Using the present value long-hand method, how much money would need to be deposited today to have a total of $5,200 in four years with a 5.50% interest rate compounded annually?**
37. $4,197.53
38. $4,446.90
39. $4,548.03
40. $4,297.73
41. **What is the future value of $10,000 on deposit for 2 years at 6% simple interest?**
42. $10,600
43. $11,236
44. $11,200
45. $13,382.26
46. **If the five-year discount factor is d, what is the present value of $1 received in five years’ time?**
47. 1/(1 + d)5
48. 1/d.
49. 5d.
50. d.
51. **A car’s price is currently $20,000 and is expected to rise by 4% a year. If the interest rate is 6%, how much do you need to put aside today to buy the car one year from now?**
52. $18,182
53. $19,231
54. $19,623
55. $4,080.08
56. **Given the future value, which of the following will contribute to a *lower* present value?**
57. Higher discount rate
58. Fewer time periods
59. Less frequent discounting
60. Lower discount factor
61. **What will be the approximate population of the United States, if its current population of 300 million grows at a compound rate of 2% annually for 25 years?**
62. 413 million
63. 430 million
64. 488 million
65. 492 million
66. **What is the present value of the following payment stream, discounted at 8% annually: $1,000 at the end of year 1, $2,000 at the end of year 2, and $3,000 at the end of year 3?**
67. $5,022.10
68. $5,144.03
69. $5,423.87
70. $5,520.00
71. **How much more is a perpetuity of $1,000 worth than an annuity of the same amount for 20 years? Assume an interest rate of 10% and cash flows at the end of each period.**
72. $297.29
73. $1,486.44
74. $1,635.08
75. $2,000.00
76. **You will be receiving cash flows of: $1,000 today, $2,000 at end of year 1, $4,000 at end of year 3, and $6,000 at end of year 5. What is the present value of these cash flows at an interest rate of 7%?**
77. $9,731.13
78. $10,412.27
79. $10,524.08
80. $11,524.91
81. **How much must be saved at the end of each year for the next 10 years in order to accumulate $50,000, if you can earn 9% annually? Assume you contribute the same amount to your savings every year.**
82. $3,291.00
83. $3,587.87
84. $4,500.33
85. $4,587.79
86. **Your retirement account has a current balance of $50,000. You plan to add $6,000 a year to the account for each of the next 30 years. Use a financial calculator or Excel to find what interest rate you need to earn in order to have $1,000,000 in the account at the end of the 30 years?**
87. 5.02%
88. 7.24%
89. 9.80%
90. 10.07%
91. **What is the expected real rate of interest for an account that offers a 12% nominal rate of return when the rate of inflation is 6% annually?**
92. 5.00%
93. 5.66%
94. 6.00%
95. 9.46%
96. **What is the minimum nominal rate of return that you should accept if you require a 4% real rate of return and the rate of inflation is expected to average 3.5% during the investment period?**
97. 7.36%
98. 7.50%
99. 7.64%
100. 8.01%
101. **What is the present value of your trust fund if you have projected that it will provide you with $50,000 7 years from today and it earns 10% compounded annually?**
102. $25,000.00
103. $25,657.91
104. $28,223.70
105. $29,411.76
106. **How much more would you be willing to pay today for an investment offering $10,000 in 4 years rather than in 5 years? Your discount rate is 8%.**
107. $544.47
108. $681.48
109. $740.74
110. $800.00
111. **"Give me $5,000 today and I'll return $10,000 to you in 5 years," offers the investment broker. To the nearest percent, what annual interest rate is being offered?**
112. 12.29%
113. 13.67%
114. 14.87%
115. 12.84%
116. **A credit card account that charges interest at the rate of 1.25% per month would have an annually compounded rate of \_\_\_\_\_ and an APR of \_\_\_\_.**
117. 16.08%; 15.00%
118. 14.55%; 16.08%
119. 12.68%; 15.00%
120. 15.00%; 14.55%
121. **Prizes are often not "worth" as much as claimed. What is the value of a prize of $5,000,000 that is to be received in 20 equal yearly payments, with the first payment beginning today? Assume an interest rate of 7%.**
122. $2,833,898.81
123. $2,911,015.68
124. $2,609,144.14
125. $2,738,304.13
126. **After reading the fine print in your credit card agreement, you find that the "low" interest rate is actually an 18% APR, or 1.5% per month. What is the effective annual rate?**
127. 18.47%
128. 19.56%
129. 18.82%
130. 19.41%
131. **Lester's just signed a contract that will provide the firm with annual cash inflows of $28,000, $35,000, and $42,000 over the next three years with the first payment of $28,000 occurring one year from today. What is this contract worth today at a discount rate of 7.25%?**
132. $88,311.08
133. $89,423.91
134. $90,580.55
135. $91,341.41
136. **Jamie earned $180 in interest on her savings account last year. She has decided to leave the $180 in her account so that she can earn interest on the $180 this year. The interest Jamie earns this year on this $180 is referred to as:**
137. simple interest.
138. complex interest.
139. accrued interest.
140. interest on interest.
141. **Sue needs to invest $3,626 today in order for her savings account to be worth $5,000 six years from now. Which one of the following terms refers to the $3,626?**
142. Present value
143. Compound value
144. Future value
145. Complex value
146. **Today, you deposit $2,400 in a bank account that pays 4 percent simple interest. How much interest will you earn over the next 5 years?**
147. $96.00
148. $101.15
149. $480.00
150. $492.16
151. **Jeff deposits $3,000 into an account which pays 2.5 percent interest, compounded annually. At the same time, Kurt deposits $3,000 into an account paying 5 percent interest, compounded annually. At the end of three years:**
152. Both Jeff and Kurt will have accounts of equal value
153. Kurt will have twice the money saved that Jeff does
154. Kurt will earn exactly twice the amount of interest that Jeff earns.
155. Kurt will have a larger account value than Jeff will
156. **Your parents just gave you a gift of $15,000. You are investing this money for 12 years at 5 percent simple interest. How much money will you have at the end of the 12 years?**
157. $15,75
158. $16,000
159. $17,375
160. $24,000
161. **Today, Tony is investing $16,000 at 6.5 percent, compounded annually, for 4 years. How much additional income could he earn if he had invested this amount at 7 percent, compounded annually?**
162. $323.22
163. $389.28
164. $401.16
165. $442.79
166. **A company's January 1, 2019 balance sheet reported total assets of $155,000 and total liabilities of $65,000. The company's January 31, 2019 balance sheet would report which of the following?**

|  |  |  |
| --- | --- | --- |
| 1. Assets
 | Liabilities | Stockholders' Equity |
| $150,000 | $60,000 | $90,000 |
| 1. Assets
 | Liabilities | Stockholders' Equity |
| $155,000 | $65,000 | $90,000 |

|  |  |  |
| --- | --- | --- |
| 1. Assets
 | Liabilities | Stockholders' Equity |
| $160,000 | $75,000 | $85,000 |

|  |  |  |
| --- | --- | --- |
| 1. Assets
 | Liabilities | Stockholders' Equity |
| $170,000 | $100,000 | $70,000 |

1. **If assets are $209,436 and liabilities are $114,272 how much is owner’s equity?**
	1. $95,164
	2. $102,45
	3. $114,56
	4. $88,69
2. **If liabilities are $102,500 and equity is $93,225 what is the value of the company’s**

**assets?**

1. $78,96
2. $55,43
3. $202,98
4. $195,725
5. **If equity is $148,272 and total assets are $479,195, what amount represents total liabilities?**

A. $450,567

B. $222,758

**C**. $330,293

D. $145,765

1. **Assets are often listed in the order of their ..... - which means how easy it would be to convert each asset into cash.**
2. Complexity
3. Liquidity
4. Security
5. Simplicity
6. **Spin Co. has $52,000 in its Cash account, $20,000 in its Inventory account, and $12,000 in its Notes Payable (short- term) account. If Spin's only other account is Common Stock, what is the balance of that account?**
	1. $20,000.
	2. $84,000.
	3. $60,000.
	4. $44,000.
7. **Assets totaled $24,250 and liabilities totaled $8,500 at the beginning of the year. During the year, assets decreased by $3,500 and liabilities increased by $2,800. What is the amount of stockholders' equity at the end of the year?**
8. $9,450
9. $15,750
10. $15,050
11. $14,450
12. Construct a balance sheet or Home Depot given the following data. What is shareholders’ equity?

|  |
| --- |
| Home Depot Balance Sheet December 31, 2018 |
| Assets |  | Liabilities & Shareholders' Equity |
| Cash | $50.000 |  | Current Liabilities | $70.000 |
|  |  |  | Long Term Liabilities | 30.000 |
| Fixed Assets | 150.000 |  |  |  |
|  |  |  | Shareholders Equity | ? |
| Total Assets | $200.000 | Total liabilities &shareholders' equity | $200.000 |

1. 120.000
2. 100.000
3. 90.000
4. 110.000
5. **Jane is developing her personal budget. She intends to save 8% of her income, use 40% of her income for housing and utilities, spend 16% on food, devote 15% to transportation, and set aside the rest for clothing, recreation, and entertainment. She earns 986 TL per pay period. How much Money does she plan to spend on clothing, recreation, and entertainment each pay period?**
6. 306.56 TL
7. 134.12 TL
8. 288.34 TL
9. 207,06 TL
10. **You are taking out a mortgage for $150,000. You will pay it back over 30 years paying 1% per month. What is your monthly payment?**
11. 1,542.92
12. 1,456.32
13. 980.33
14. 2,111.03
15. **You plan to save for 45 years and then retire. Given a 10% rate of interest, if you desire to have $450,000 at retirement, how much must you save each year?**
16. 758,90
17. 422,54
18. 234,13
19. 625,95
20. **Which of the following assets is likely to be considered the most liquid?**
21. Marketable securities
22. Net fixed assets
23. Accounts payable
24. Inventories