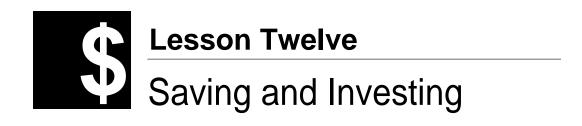
Student Activities



name:	date:



setting and prioritizing your financial goals

short-range goal (within 1 month)		
Goal:	Objective	\$
	Estimated Cost	\$
	Target Date	\$
	Monthly Amount	\$
medium-range goal (2–12 months)		
Goal:	Objective	\$
	Estimated Cost	\$
	Target Date	\$
	Monthly Amount	\$
long-range goal (more than 1 year)		
Goal:	Objective	\$
	Estimated Cost	\$
	Target Date	\$
	Monthly Amount	\$

name:	date:	



calculating interest

directions

Write the answers to the following questions in the blanks provided. Use the space below each problem to show how you arrived at your answers.

1.If you put \$200 in a savings account that paid 5.5% simple interest each year, how much interest would you earn in five years?

2. If you put \$150 in a savings account that paid 6% compounded yearly, how much interest would you earn in five years?

3. If you put \$25 each month into a savings account that paid a simple interest rate of 6.5% each year, how much would you have in your account at the end of two years?

4. If you put \$10 each week into a savings account that paid 6% interest compounded yearly, how much money would you have in your account after three years? (Hint: Use Save a Million Calculator)



selecting mutual funds

directions

For each of the investment situations below, select the type of mutual fund that would be most appropriate from this list:

Balanced Fund Income Fund

Global Bond Fund Industry Fund

Global Stock Fund Municipal Bond Fund

Growth Fund Regional Stock Fund

- **1.** A person wants an international mutual fund without the risks associated with stocks.
- **2.** An investor wants tax-exempt income from investments.
- **3.** An investor is interested in investing in health-care stocks.
- **4.** A person wants to invest in stocks from around the world.
- **5.** A person is interested in long-term growth for future financial security.
- **6.** An investor seeks to buy stock in companies located in Europe.
- **7.** A retired person desires investment earnings to provide for current living expenses.
- **8.** A person wants to invest in a blend of stocks and bonds.
- **9.** An investor wants to invest in debt instruments issued by state and local governments.
- **10.** A person expects growth of companies in Latin America.

name:	ate:



test your knowledge of saving and investing

directions Write the answers	to the following questions in the blanks provided. Use the space below		
each problem to show how you arrived at your answers.			
-			
1. How long would	d it take to double your money in an account that paid 6% per year?		
2. What interest ra	ate would double your money in 5 years?		
	ded, write the letter of the savings account or savings method		
the statement repre			
a) Passbook accou	ant d) Time deposit (Certificate of Deposit)		
b) Statement acco	e) Money-market deposit account		
c) Interest-earning	g checking		
3. — A comb	pination of a checking and savings account. Interest rates, which are based on a		
complex	x structure, vary with the size of your balance.		
4. Combin	nes the benefits of a checking and savings account. Interest is paid each month		
on unus	sed money in the account.		
5. You can	5 You can only write a limited number of checks each month.		
-	6. Bank pays a fixed amount of interest, on a fixed amount of money, for a fixed		
amount	of time.		
7. Penalty	is usually charged if money is withdrawn before expiration date.		
8. Interest	rate is usually lower than passbook or statement accounts.		
	7 Y Y Y		

test your knowledge of saving and investing (continued)

In the space provided, write the letter of the investment vehicle the statement represents.

a) Bonds
d) Real estate
b) Mutual funds
e) Keogh plan
c) Stocks

9. — This type of investment offers an excellent protection against inflation.

10. — A retirement plan for the self-employed.

11. _ Issuer agrees to pay investors a fixed interest rate for a fixed period of time.

12. _ You can contribute each year to this tax-deferred account.

13. Penalty is usually charged if money is withdrawn before expiration date.

14. Professionally managed portfolios made up of stocks, bonds, and other investments.

15. List the four most important factors to consider when shopping for a savings account.

16. List the four main differences between saving and investing.

name:	date:	



lesson twelve quiz: saving and investing

true-fals	e		
1	A certificate of deposit must be held for a set amount of time such as six months or a year.		
2	Compound interest refers to money earned from buying a tax-exempt investment.		
3	. A share of stock represents ownership in a company.		
4	A mutual fund is an investment issued by a state or local government agency.		
5	Treasury bonds are a safer investment than real estate.		
multiple	choice		
6	The lowest interest rate is		A. 6
	usually earned on a:		B. 8
	A. money-market account		C. 9
	B. passbook accountC. certificate of depositD. mutual fundThe total interest earned on \$100	9	D. 12
			An example of a company's debt is a:
7			A. corporate bond
	for two years at 10 percent		B. share of stock
	(compounded annually) would be:		C.mutual fund
	A. \$2		D. municipal bond
	B. \$21 C. \$11		The investment with the most risk
			would be:
		A. a savings account	
8			B. U.S. Treasury bonds
	earning 6 percent would take about		C. corporate stocks
	years to double.		D corporate bonds

case application

The Johnson family includes Marv (age 34), Gail (33), Andrew (8), and Molly (4). What are some investment goals that might be appropriate for this family? What types of investments might be used to achieve these goals?