

# LESSON 6 QUIZ

## ANSWER KEY

(CORRECT ANSWERS IN DARK GREEN)

1. What is the purpose of a loan?  
a) Flexing cash on your friends      b) Buying things you have no need for  
**c) Buying something important without upfront funds**      d) No reason for a loan
2. What is the fee charged by a bank for borrowing money called?  
**a) Interest**    b) Capital    c) Principal    d) Credit score
3. How is interest calculated on a loan?  
a) By your credit score      b) By the loan amount  
c) By the time to pay the loan back      **d) All of the above**
4. What does a credit score represent?  
a) The amount of money borrowed      b) How much the bank will lend you  
**c) A grade for past borrowing behavior**      d) The time duration of the loan
5. Why is having a good credit score important when borrowing money?  
a) You get to pay more for loans      **b) To have a lower interest rate**  
c) To avoid borrowing money      d) Avoiding interest altogether
6. What is a credit card, according to the passage?  
**a) A pre-approved loan amount**      b) A type of debit card  
c) An interest-free spending tool      d) A decorative item
7. Why does interest matter when borrowing money?  
a) It helps you save money      **b) It increases the cost of borrowing**  
c) It reduces your credit score      d) It helps you pay off the loan quicker
8. What is the risk of carrying a credit card?  
a) Lower interest rates    b) Improved credit scores  
**c) You can spend without waiting for the money**    d) No risk
9. What is a potential consequence of missing a credit card payment?  
a) Higher credit score    b) Additional interest charges  
c) Lower credit score    **d) Both B & C**
10. Why is it important to shop for loans?  
a) It isn't, interest rates are fixed    **b) Researching helps you find the best deal**  
c) To find the most expensive loan    d) To find the coolest sounding provider



# MAKE YOUR BUDGET!

## "FUTURE YOU" GRADUATES

Can you believe Future You has graduated high school? That is a big accomplishment! To celebrate this event, consider a graduation trip from the shop. If you are ready for a car now, you can make a purchase from the Lesson 4 shop. Don't forget to keep paying for insurance and gas!

### 1

**Choose**

If you want a car for Future You this lesson, go back to the shop.

### 2

**Insure - \$2,000**

Ask your family how much Future You will cover.

### 3

**Fuel - \$1,500**

Ask your family how much Future You will cover.



Plot Twists Here!

### Future Jack's Budget Form

Box 1: Money at the start of the year (this is what you ended the year with in the last lesson)	+	\$3,873
Box 2: Income Future You earned this year (from earlier job choices)	+	\$4,500
Box 3: Plot Twist!	+ or -	(\$75)
Box 4: Money you spent this year in the shops (non-car items)	-	(\$2,200) for Europe!
Box 5: Money spent on a car (remember, insurance and gas are paid yearly)	-	(\$3,500)
Box 6: Money you gave to help someone this year	-	(\$450)
Box 7: Money at the end of the year	=	\$2,148