Unit Quiz

Name: Date: / 20

PART A · MULTIPLE CHOICE (1 MARK EACH)

1. Which of these is a **need**, not a want?
   - A. The newest phone
   - B. A bus pass to get to school
   - C. Brand-name shoes
   - D. A video game

2. Paying with a **credit card** means you are:
   - A. Spending money you already have
   - B. Borrowing money you must pay back later
   - C. Getting money for free
   - D. Saving money

3. The "opportunity cost" of a purchase is:
   - A. The sales tax you pay
   - B. The next-best thing you gave up to buy it
   - C. The delivery fee
   - D. The total of all your money

4. In a budget, "save first, spend second" means:
   - A. Spend everything, then save what's left
   - B. Set your savings aside as soon as money comes in
   - C. Never spend any money
   - D. Only save at the end of the year

5. **Compound** interest is different from simple interest because it pays you interest on:
   - A. Only your original amount
   - B. Your original amount plus the interest you've already earned
   - C. Nothing at all
   - D. Only money you borrow

6. The single biggest thing that makes compound interest powerful is:

A. Luck
B. Time — starting early
C. Spending fast
D. A big phone

7. Which is generally the **higher-risk** choice?

A. A savings account
B. Putting all your money in one company
C. An index fund
D. A guaranteed deposit

8. An index fund is best described as:

A. A loan you take from the bank
B. A basket that spreads your money across many companies at once
C. A bet on one company you like
D. A type of savings account

PART B · SHORT ANSWER (2 MARKS EACH)

9. Name **two** ways to pay for something, and give one advantage and one disadvantage of each.

10. Explain the difference between **saving** and **investing**, and give one goal that fits each.

PART C · SHOW YOUR WORK (CALCULATION)

11. (4 marks) You put **$100** in an account that pays **10% compound interest** per year. Complete the table for 3 years, then answer below.

YEAR	Total at year-end
Start	$100.00
1	
2	
3	

How much *interest* did you earn in total over the 3 years? ____________

12. (2 marks) A friend says: "I'll start saving for the future when I'm 40 — there's no rush." Using what you learned about compound interest, give them one good reason to start **now** instead.

Teachers: an answer-key version of this quiz is available free on request — email travisvaluation@gmail.com.