

Understanding Budgets

(What Do You Know Now? — Key)

Read each question below. Each question may have more than one correct answer, so circle every correct answer. Add your name and today's date at the bottom. Correct answers are in bold.

1. What is the definition of a budget?
 - A. A budget is a piece of paper with a lot of numbers on it.
 - B. A budget is a list of items you've bought.
 - C. A budget is a way to track your money to ensure that the amount you spend doesn't exceed the amount you earn.**
 - D. A budget is a way to know where your money is.
 - E. A budget is something done only by people who are good at math.
2. What is an advantage to having a budget?
 - A. You can more easily see how your spending compares to the amount of money you bring in.**
 - B. You can more easily make long-term money plans.**
 - C. You can more easily spend money.
 - D. You can more easily change the way you use your money to live within a budget.**
 - E. Everyone in your family can see how your family uses money.**
3. How can a checking account help with budgeting?
 - A. A checking account provides a monthly statement that helps you track the money you deposit and the money you withdraw.**
 - B. A checkbook ledger from your checking account can help you budget.**
 - C. The monthly statement can help you balance your checking account.**
 - D. A checking account can replace the task of creating a budget.
 - E. You can earn money as interest on any checking account.
4. Where can you open a checking account?
 - A. At a bank**
 - B. At a department store
 - C. At a savings and loan**
 - D. At a stock broker's office
 - E. At a credit union**
5. What is important to include in a personal property inventory?
 - A. Everything you own
 - B. The amount that each item is worth**
 - C. Valuables that your parents have at their home
 - D. The location of where you keep each item**
 - E. The name of each valuable item you own**
6. What information is important to find out about a store's product return policy?
 - A. If you need the original receipt from when you bought the item**
 - B. If you need the person who actually bought the item to accompany you when you to return the item
 - C. What the timeframe is for returning the item**
 - D. If there is a restocking fee and what that fee is**
 - E. If you can actually return the item**

Your Name: _____

Today's Date: _____