

Money 102

How it works

Quick Reference Answer Guide

The answers below correspond to the exercises in Money 102. The correct answers are bolded for convenience, with detailed explanations where applicable.

Exercise 1: How you get Money

1. Who is responsible for printing money?

A: The U.S. Treasury

B: The Federal Reserve

C: The credit union

D: Office Depot

2. Who is responsible for getting loans for money in the government?

A: The President

B: The U.S. Treasury

C: The Vice President

D: The Federal Reserve

3. Why does the government need loans?

A: They do not have enough paper to print money on

B: They do not know how to print money

C: Printing more money decreases the value of existing money.

D: They need loans to keep the value of money high.

4. Which of these options is **not** a way to get money?

A: Go to a credit union or bank

B: Use a credit card

C: Plant a money tree

D: Deposit a check

Exercise 2: Earning Money

1. How do people earn money?
A: Ask for it
B: Get a job
C: Find it on the street
D: Print it at home
2. If you do not have money to pay for an item, can you still get it?
A: No, you have no options
B: Yes, but you have to steal it
C: Yes, but only if the person is willing to trade you for it
3. When you start a job, how are you paid?
A: In gum
B: Paycheck
C: Mom or Dad

Exercise 3: Wants vs. Needs

1. If your allowance is \$10 a week and you have to pay \$1 a day for lunch, how much money will you have left after 5 days?
A: \$10
B: \$0
C: \$20
D: \$5
2. If you want to buy a bike that costs \$50, how many weeks will you have to save your allowance to get it? Assume your allowance is still \$10 a week.
A: 4 weeks
B: 5 weeks
C: 6 weeks
D: 7 weeks

Exercise 3: Wants vs. Needs continued

3. Which one of these is **not** something you need?

A: Food

B: Water

C: Sunglasses

D: Electricity

4. What is the difference between wants and needs?

A: A want is something you have to have, and a need is something you would like to have.

B: A need is something you have to have, and a want is something you would like to have.

C: There is no difference between wants and needs.

Exercise 4: How to Budget

1. What is your income?

A: The amount of money you have in your account

B: The amount of money you can spend on what you want

C: The amount of money you make

D: The amount of money you find in the couch

2. What is the most important part of making a budget?

A: Calculating your income

B: Figuring out what bills you have to pay

C: Dreaming about shopping

D: Finding the right pen to write with

3. If you can save \$5 a week, how many weeks will it take to save \$25?

A: 10 weeks

B: 5 weeks

C: 2 weeks

D: 1 week

Exercise 5: Other Budgeting Considerations

1. If you want a \$10 item and tax is 8%, what will you have to pay for the whole item?
 - A: \$10.00
 - B: \$0.80
 - C: \$10.80**
 - D: \$8.00

2. If you put \$50 into your savings account and the interest on it is 1%, how much money will you have in one year?
 - A: \$50
 - B: \$49
 - C: \$51
 - D: \$50.50**