

Personal Finance: Savings and Investment**Unit Assessment**

Circle the letter of the best answer.

1. Rin's balance in her checking account on September 30 was \$2,400. She recorded the following transactions in her checkbook.

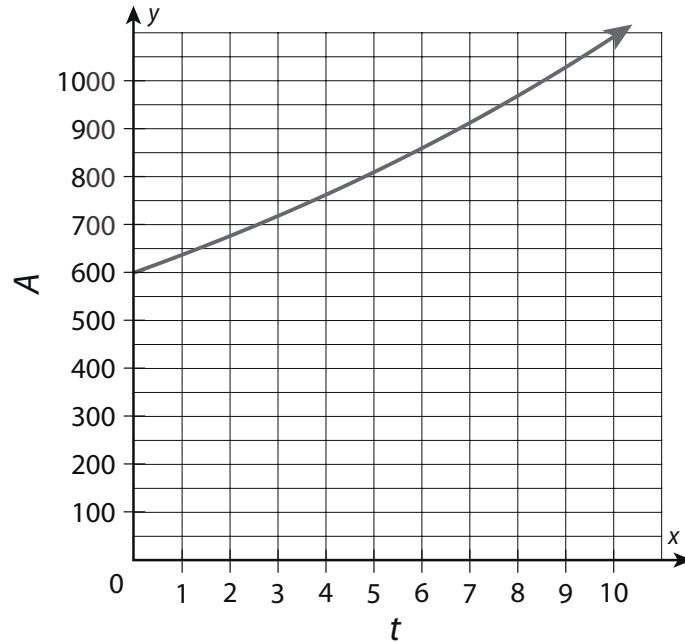
Check #	Date	Description	Amount (\$)
676	10/1	Rent	-350
677	10/8	Internet bill	-30
678	10/8	Electric bill	-60
—	10/14	Deposit	580

What is her new balance?

- a. \$140
- b. \$440
- c. \$2,540
- d. \$2,980
2. Kristen deposits \$2,000 into an account that accrues 1.6% APR, compounded quarterly. What equation represents this situation?
- a. $A = 2000(1 + 0.016)^{4t}$
- b. $A = 2000(1 + 0.016)^t$
- c. $A = 2000\left(1 + \frac{0.016}{4}\right)^{4t}$
- d. $A = 2000\left(1 + \frac{0.016}{4}\right)^t$

continued

3. Which equation matches the following graph?



- a. $A = 600(1 + 0.06)^t$ c. $A = 600\left(1 + \frac{0.06}{12}\right)^t$
- b. $A = 600(1 + 0.06)^{12t}$ d. $A = 600\left(1 + \frac{0.06}{12}\right)^{12t}$

4. Eddie deposits \$6,000 into a savings account that accrues 2.5% APR, compounded monthly. If a maintenance fee of \$2.00 is charged to the account every month, what will be the account balance after 6 months?

- a. \$7,108.11 c. \$6,063.33
- b. \$6,075.39 d. \$6,051.39

5. Jen owns 490 shares of a stock that pays quarterly dividends of \$0.21. How much will she receive in dividends in one year?

- a. \$102.90 c. \$0.84
- b. \$411.60 d. \$10.08

continued

Name: _____

Date: _____

Assessment

6. Brett sold 4,770 shares of a stock for \$5.50 per share. His broker charged a transaction fee of 1.5%. How much did Brett receive from the sale?
- a. \$26,628.53
 - b. \$26,235.00
 - c. \$25,841.47
 - d. \$393.53
7. Evan bought 700 shares of stock for \$7,200 and sold them 10 years later for \$23,400. What is the CAGR for this investment?
- a. 1.13%
 - b. 12.51%
 - c. 30.77%
 - d. 88.88%
8. Consider the following two stocks.

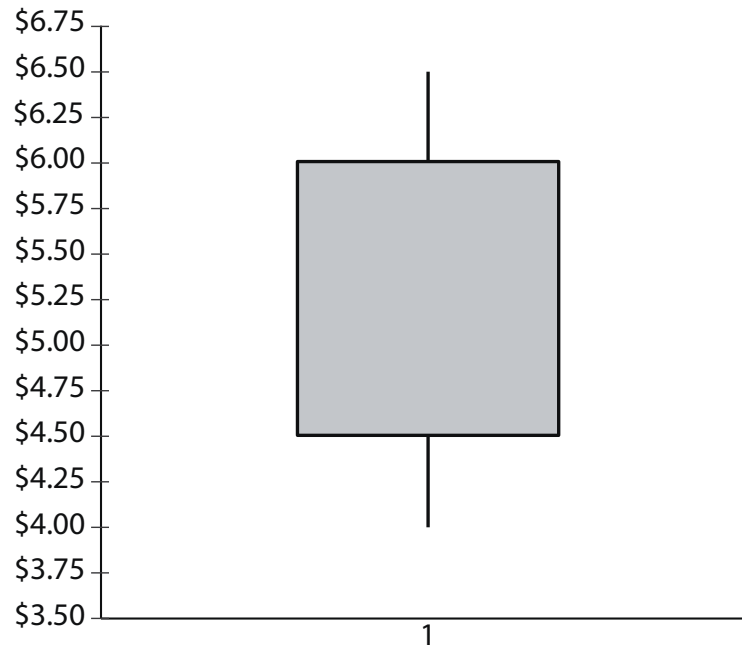
Parameter	Company A	Company B
Outstanding shares	4.1 million	4.2 million
Earnings per share (EPS)	\$1.12	\$1.15
Price per share (PPS)	\$12.80	\$13.14
Price to earnings ratio (P/E)	11.43	11.43
10-year CAGR	12%	11.7%

Which stock is the safer investment?

- a. Company A
- b. Company B
- c. Both are equally safe.
- d. There is not enough information to solve this problem.

continued

9. What is the closing price of the stock shown in the candlestick chart?



- a. \$4.00
b. \$4.50
c. \$6.00
d. \$6.50
10. Josh expects to receive \$2,400 per month in Social Security benefits at full retirement. If he retires at age 70 instead, his benefits will be increased by 24%. What would be his monthly benefit?
- a. \$2,976
b. \$2,424
c. \$1,824
d. \$2,400
11. Catherine has \$13,800 in a retirement account. The account is expected to grow by 5.8% each year. Catherine also makes an annual contribution of \$3,700 to the account. What will the account balance be when Catherine retires in 30 years?
- a. \$74,894.36
b. \$185,894.36
c. \$357,314.57
d. \$677,305.52

continued

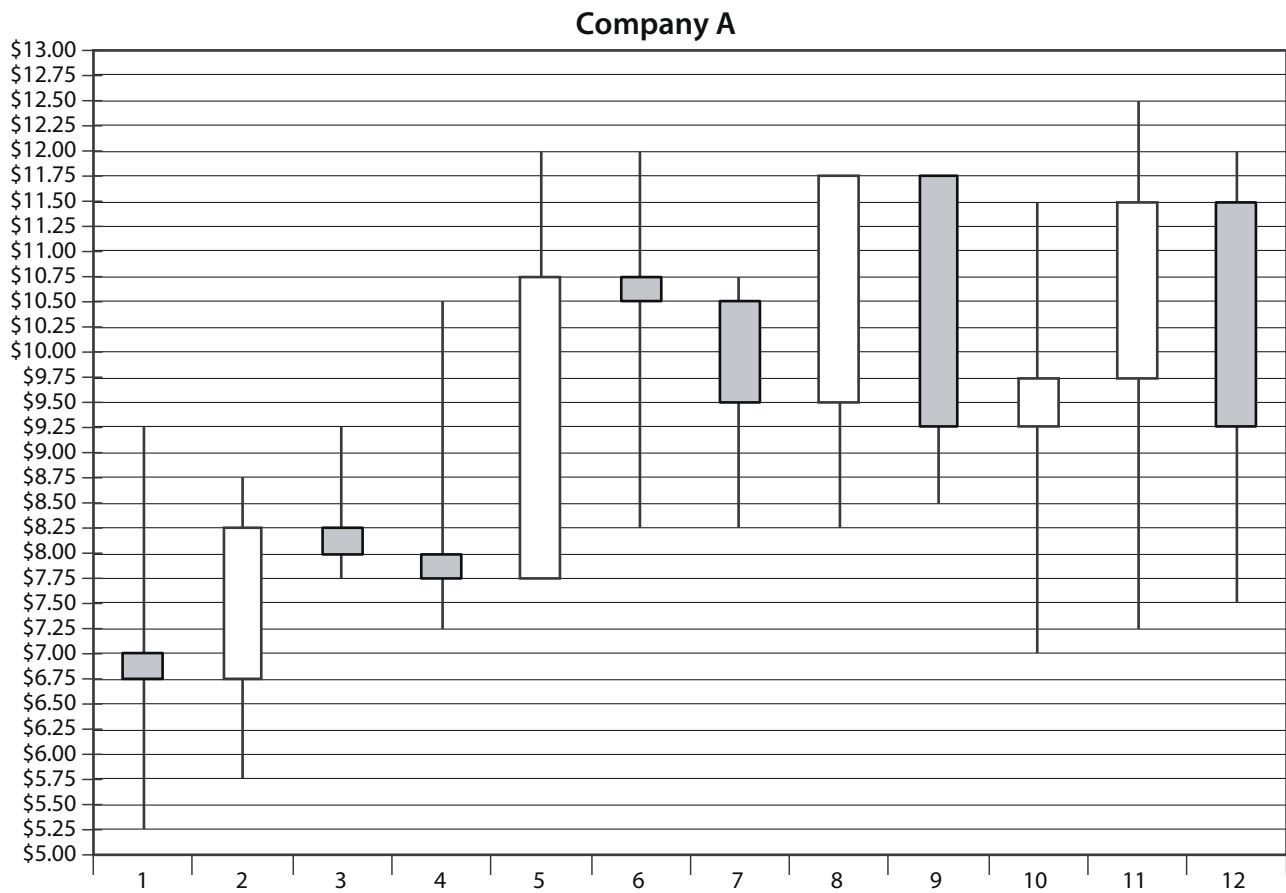
Name:

Date:

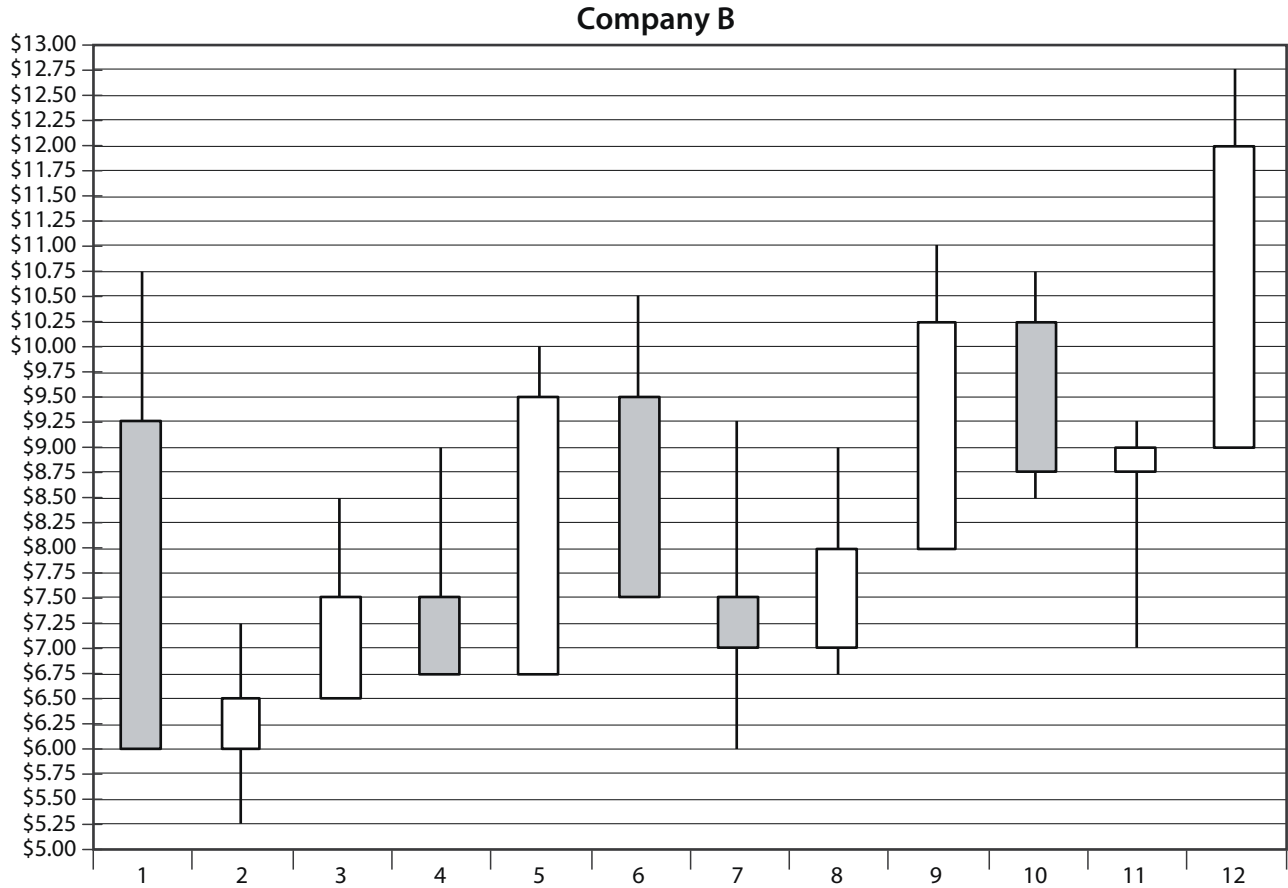
Assessment

14. Consider the following stock comparison summary.

Parameter	Company A	Company B
Outstanding shares	12.9 million	15.3 million
Earnings per share (EPS)	\$0.80	\$1.00
Price per share (PPS)	\$9.25	\$12.00
Price to earnings ratio (P/E)	11.56	12.00
10-year CAGR	11%	10%



continued



- a. Find the daily closing prices for each company.
- b. Graph the daily closing prices for each company on a chart.
- c. Create a table for the 5-day SMA for each company.
- d. Graph the 5-day SMA for each company on a chart.
- e. Which company would you invest in? Why?

continued

