**Name:**   
**Score:** 0 / 15 points (0%)

Chapter 1: Understanding the Financial Planning Process

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| --- | --- | --- |
| **True/False** *Indicate whether the statement is true or false.* | | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 1. | Financial plans are not influenced by the economic environment.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 2. | Businesses ultimately determine the kinds of good and services to provide to consumers.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 3. | Certain financial goals are important regardless of age.   |  |  | | --- | --- | | **ANSWER:** | T | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 4. | Young adults today should find it easier to achieve the same financial rewards during their working careers than did their parents' generation.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 5. | Unless you attain your short-term goals, you probably will not be able to achieve your intermediate- or long-term goals.   |  |  | | --- | --- | | **ANSWER:** | T | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 6. | People who prefer immediate satisfaction usually find it easier to achieve long-term net worth.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 7. | You are more likely to attain your financial goals if you set them higher than you are currently able to achieve.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 8. | Gender differences are a factor in the way people think about money.   |  |  | | --- | --- | | **ANSWER:** | T | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 9. | Recession is the phase in the economic cycle during which levels of employment and growth of economic activity are both high.   |  |  | | --- | --- | | **ANSWER:** | F | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 10. | Consumer price index (CPI) is a measure of the cost of living and inflation that is based on changes in the cost of a market basket of consumer goods and services.   |  |  | | --- | --- | | **ANSWER:** | T | | **POINTS:** | 0 / 1 | |
| **Multiple Choice** *Identify the choice that best completes the statement or answers the question.* | | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 1. | Planning concerns that can drastically change one's financial circumstances include:   |  |  | | --- | --- | | a. | divorce. | | b. | death of a spouse. | | c. | supporting elderly parents while paying for your children's college educations. | | d. | all of these are correct. |  |  |  | | --- | --- | | **ANSWER:** | D | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 2. | Controllable factors that have an effect on the income you earn include all of the following EXCEPT for:   |  |  | | --- | --- | | a. | your level of education. | | b. | where you live. | | c. | your age. | | d. | your choice of career. |  |  |  | | --- | --- | | **ANSWER:** | C | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 3. | When asked about their financial goals, Canadians indicated one of the following as their number one financial goal:   |  |  | | --- | --- | | a. | saving for children’s education. | | b. | paying down debt. | | c. | saving for retirement. | | d. | buying a home. |  |  |  | | --- | --- | | **ANSWER:** | B | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 4. | What is not a tangible asset from the following list:   |  |  | | --- | --- | | a. | real estate. | | b. | automobile. | | c. | jewelry. | | d. | savings accounts. |  |  |  | | --- | --- | | **ANSWER:** | D | | **POINTS:** | 0 / 1 | |
| http://www.gitman1ce.nelson.com/images/wrong.gif | 5. | One of government’s method for managing the economy is fiscal policy, which is not represented in one of the following situations:   |  |  | | --- | --- | | a. | increasing spending on education. | | b. | increasing spending on defense. | | c. | increasing  spending on social services. | | d. | increasing the bank rate. |  |  |  | | --- | --- | | **ANSWER:** | D | | **POINTS:** | 0 / 1 | |

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| [Retake Test](http://www.gitman1ce.nelson.com/student/test/ch01.html) |