**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.

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| --- | --- |
| **ANSWER:** | F |
| **POINTS:** | 0 / 1 |

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| http://www.gitman1ce.nelson.com/images/wrong.gif     |  2.  | Businesses ultimately determine the kinds of good and services to provide to consumers.

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| **ANSWER:** | F |
| **POINTS:** | 0 / 1 |

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| http://www.gitman1ce.nelson.com/images/wrong.gif     |  3.  | Certain financial goals are important regardless of age.

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| --- | --- |
| **ANSWER:** | T |
| **POINTS:** | 0 / 1 |

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| 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.

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| **ANSWER:** | F |
| **POINTS:** | 0 / 1 |

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| 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.

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| --- | --- |
| **ANSWER:** | T |
| **POINTS:** | 0 / 1 |

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| http://www.gitman1ce.nelson.com/images/wrong.gif     |  6.  | People who prefer immediate satisfaction usually find it easier to achieve long-term net worth.

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| --- | --- |
| **ANSWER:** | F |
| **POINTS:** | 0 / 1 |

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| 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.

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| **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.

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| --- | --- |
| **ANSWER:** | T |
| **POINTS:** | 0 / 1 |

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| 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.

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| **ANSWER:** | F |
| **POINTS:** | 0 / 1 |

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| 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.

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| **ANSWER:** | T |
| **POINTS:** | 0 / 1 |

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| **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. |

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| --- | --- |
| **ANSWER:** | D |
| **POINTS:** | 0 / 1 |

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| 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 |

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| 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. |

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| --- | --- |
| **ANSWER:** | B |
| **POINTS:** | 0 / 1 |

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| 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 |

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| http://www.gitman1ce.nelson.com/images/wrong.gif     |  5.  | One of government’s method for managing the economy is fiscal policy, which is notrepresented 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. |

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| **ANSWER:** | D |
| **POINTS:** | 0 / 1 |

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| Retake Test |