



## Entry Level Assessment Blueprint

# Personal Finance Foundations



**Test Code: 1088 / Version: 01**

## Specific Competencies and Skills Tested in this Assessment:

### Personal Decision Making

- Define and give examples of economic wants and needs
- Analyze the effects of ethics on business and financial management decisions
- Differentiate between types of decisions and identify which types should be used in a formal decision-making process

### Earning and Reporting Income

- Analyze how career choice, education, and skills affect income and goal attainment
- Calculate net pay

### Managing Finances and Budgeting

- Construct and use a personal budget plan and evaluate it according to short-term goals
- Construct and use a personal budget plan and evaluate it according to long-term goals



### Saving and Investing

- Explain how and why the stock market works
- Analyze the power of compounding
- Describe the advantages and disadvantages of various savings and investing plans
- Explain the role of savings and investing in creating a financial plan
- Contrast the impact of simple interest versus compound interest on savings

### Buying Goods and Services

- Describe and give examples of consumer rights, responsibilities, and remedies
- Identify the costs of utilities, services, maintenance, and other expenses involved in independent living
- Explain how a consumer can identify and report fraudulent behavior and practices observed on the internet

## Specific Competencies and Skills continued:

### Banking and Financial Institutions

- Identify the rights and responsibilities associated with using a checking account
- Differentiate among types of electronic monetary transactions offered by various financial institutions
- Describe and demonstrate the steps involved in the bank reconciliation process

### Using Credit

- Describe the risks and responsibilities associated with using credit
- Identify and explain methods of establishing and maintaining a good credit rating
- Identify basic features of credit ratings and reports

### Protecting Against Risk

- Identify risk in life and how to gain protection against the consequences of risk
- Identify features and types of insurance, including auto, flood, and home

The image shows a 'Personal Allowances Worksheet' form. A calculator and a US dollar bill are placed on top of the form. The form includes a table for calculating monthly allowances over 12 months. The table has columns for Month 7 through Month 12, and a final column for the total. The rows represent different categories of expenses, with some values already filled in.

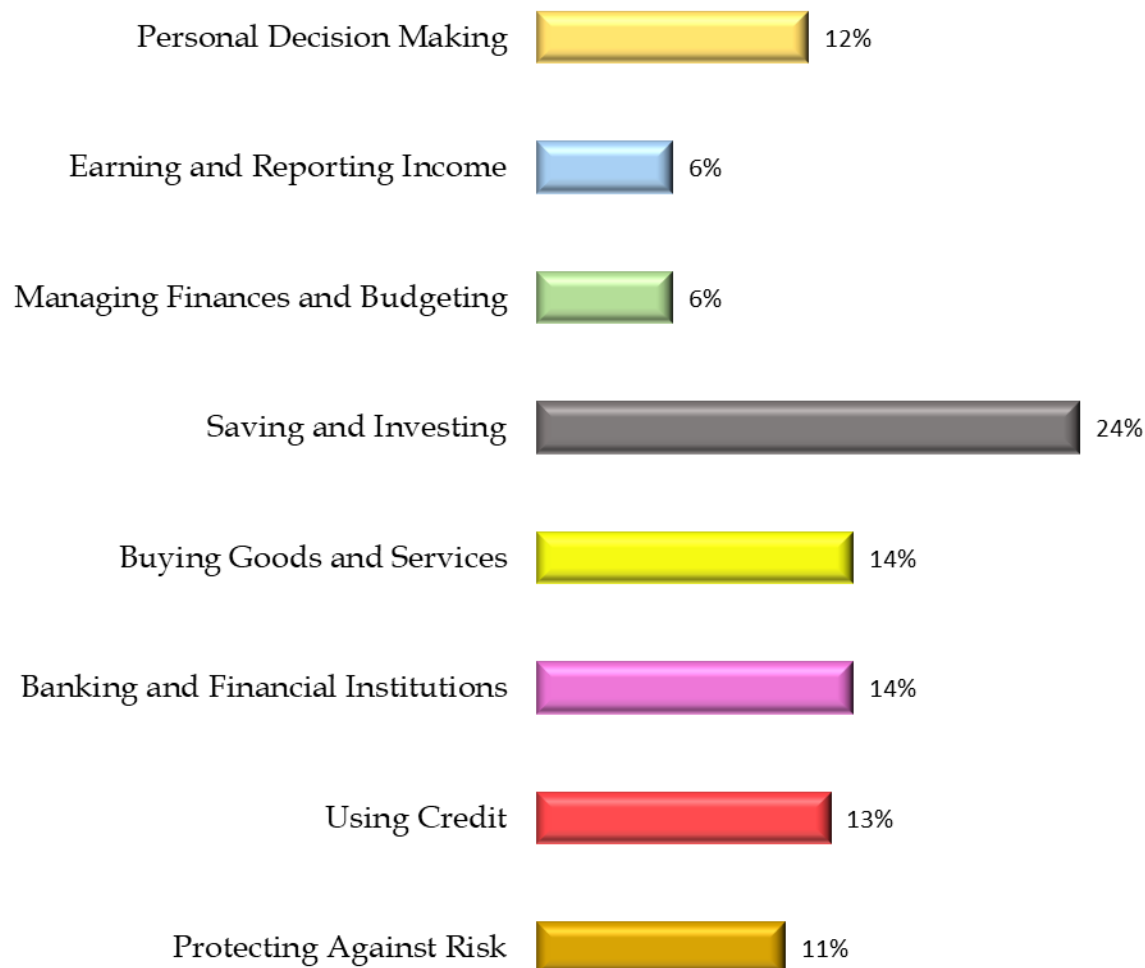
	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Person 1	-3,331.20	-4,423.81	-4,423.81	-4,423.81	-5,243.27	-5,243.27	
Person 2	0.00	0.00	0.00	0.00	0.00	0.00	
Person 3	-380.30	-416.67	-416.67	-416.67	-416.67	-416.67	
Person 4	-1,932.48	-1,932.48	-1,932.48	-1,932.48	-1,932.48	-1,932.48	
Person 5	-6,643.88	-6,773.96	-7,027.86	-6,736.29	-7,566.75	-7,876.75	

## Written Assessment:

**Administration Time:** 2 hours

**Number of Questions:** 77

### Areas Covered:



## Sample Questions:

Economics is the process of making decisions to satisfy unlimited needs and wants with \_\_\_\_\_ resources.

- A. stagnant
- B. unwanted
- C. abundant
- D. limited

The greatest gain on money in a savings account occurs when interest is compounded

- A. daily
- B. quarterly
- C. semi-annually
- D. annually

Consumers who put a deposit on merchandise and make payments toward that purchase are putting merchandise on

- A. hold
- B. lay-away
- C. credit
- D. lease

Setting up a bill to be paid from an online bank account on a certain date is called

- A. auto-pay
- B. direct deposit
- C. auto-deposit
- D. overdraft protection

The public records section of a credit report may contain information regarding

- A. employment history
- B. checking account numbers
- C. delinquent accounts
- D. salary history