Introduction to Financial Management Final Exam Review

Final exam will include everything we have spoken about through the course. Below are the topics, vocabulary and concepts you should know.

Use your class notes, exams and Google if necessary.

Banking Services

Define Compounding Interest

Describe the benefits of using a checking account

Understand the difference between a checking account and a savings account

How do you open an account? Define Signature Card

Define a check, who can cash it?

Describe a “bounced” check

Define ATM, EFT, Debit Card & Online Banking

Pawnshops offer the highest interest rates for loans

Describe a deposit slip and how a deposit affects your bank balance

Describe the types of endorsements

Describe the bank reconciliation process, outstanding checks, and deposits in transit

Budgeting

Setting goals; long term, intermediate and short term

Types of Income

Fixed vs. Flexible (variable) expenses

Define Budget and describes its purpose

Define opportunity cost

Define time value of money

Credit

Understand the 20-10 Rule

Lowest possible credit score is 300, highest is 850

Describe and understand a credit report

Define bankruptcy, stays on credit report for 7yrs

Online security – look for symbol of a lock

Define the truth and lending law

Types of credit

4 C’s of credit and defines each

Define usury rate

FICO score

Default rate

Insurance

Factors that affect cost of automobile insurance

Types of coverage for automobile insurance

General types of insurance

Define a deductible

Liability risks

Define premium

Investing

Rule of 72

Level of risk among different types of investments

Describe a mutual fund

Define diversification

Define liquidity

Describe risk to return relationship

Describe rate of return

Money/ Financial Planning

W-4 form

W-2form

Desion making process

Financial planning process

Describe parts of a paystub

Mandatory deductions

Voluntary deductions

Assets – Liabilities = Net Worth – Define and describe each