# **Spending Money Comprehension Check**

For questions 1-5, match each vocabulary term to the correct definition:

|  |  |
| --- | --- |
| 1. Bank Note | a. a payment card that deducts money directly from a buyer’s bank account when it is used to purchase goods or services. |
| 2. Debit Card | b. a plastic card issued by banks and other institutions that allows cardholders to pay for goods and services using credit with merchants that accept the cards for payment. |
| 3. Credit Card | c. the amount of money a lender or financial institution charges for lending out money. It is usually expressed as a percentage of the amount borrowed. |
| 4. Digital Wallet | d. a note that states a bank’s promise to pay a stated sum to the person possessing the note on demand. Paper money is a kind of bank note. |
| 5. Interest | e. a computer-based system that securely stores a person’s payment information, credit card numbers, and passwords for various payment methods, merchants, and websites. |

1. Bank Note
2. Debit Card
3. Credit Card
4. Digital Wallet
5. Interest
6. List at least two examples of a good. List at least two examples of a service.
7. Look back at pages 16-19. How does the ice skates example illustrate the concept of supply and demand?
8. According to Bill, what are some things you should consider when making a purchase?
9. According to Bill, what should you consider when making a budget?
10. What tips does Bill provide for budgeting and spending wisely?

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1. Bank Note - d
2. Debit Card - a
3. Credit Card - b
4. Digital Wallet - e
5. Interest - c
6. List at least two examples of a good. List at least two examples of a service.
   1. Goods are items of value. They include things you can generally touch or hold such as books, clothes, technology, sports equipment and more.
   2. Services are activities of value. These are things people can do for you, such as giving a haircut, providing a bus ride, or coaching a team.
7. Look back at pages 16-19. How does the farmer’s market example illustrate the concept of supply and demand?
   1. The farmer’s market example illustrates the concept of supply and demand in multiple ways. There was a large supply for potatoes, so they did not cost much. However, there was a very small supply of carrots, so the price increased. Finally, the demand for cabbages was quite low, so they were cheap.
8. According to Bill, what are some things you should consider when making a purchase?
   1. You should consider whether you need or want what you are purchasing. You should also consider why you want it, if you can afford it, how much money you will have left if you purchase it, if you will use it frequently, and if it will last.
9. According to Bill, what should you consider when making a budget?
   1. You should consider your income, debt, needs, wants, savings, and donations when making a budget.
10. What tips does Bill provide for budgeting and spending wisely?
    1. Bill suggests keeping track of your expenses, regularly paying off any debt, including your credit card, using discounts and shopping sales, and saving up for emergencies.