



### Lesson Three Pretest: Budgeting

- 1) What is a budget
  - a) Money you borrow from a company
  - b) Amount of money spent on goods
  - c) Estimate of income and expenses for a set amount of time
  - d) A shortage of money
- 2) Cash flow is the
  - a) Money left over after expenses are paid
  - b) Total money being transferred in or out of a household or business
  - c) Amount of money spent on a certain item
  - d) Estimate of income and expenses for a set amount of time
- 3) Fixed expense is
  - a) Expenses that change (food and gas)
  - b) Income received before taxes and deductions
  - c) An expense you think is important (movies, concert tickets)
  - d) Expenses that do not change (mortgage, car insurance, and child support)
- 4) A shortage of money due to overspending
  - a) Surplus
  - b) Deficit
  - c) Impulse purchase
  - d) Salary
- 5) Money left over after you've paid all your expenses
  - a) Debt
  - b) Cash flow
  - c) Varied expenses
  - d) Surplus
- 6) A need is
  - a) Food, water, and shelter
  - b) Movie tickets
  - c) Health Insurance
  - d) Ice cream
- 7) When can you spend money on a want?
  - a) Before you pay for expenses
  - b) Before you make a budget
  - c) After you pay your expenses
  - d) When you're in debt
- 8) When you buy something you do not need



- a) Fixed Expense
  - b) Impulse Purchase
  - c) Debt
  - d) Deficit
- 9) Where should write out your budget and goals
- a) In a notebook
  - b) In a word document
  - c) A sticky note
  - d) Somewhere you can be reminded of them everyday (poster, mood board)
- 10) The cost of the alternative choice
- a) Scarcity
  - b) Opportunity cost
  - c) Depreciation
  - d) Liabilities



### **Lesson Three Pretest: Budgeting [ANSWER KEY]**

- 1) C - Estimate of income and expenses for a set amount of time
- 2) B - Total money being transferred in or out of a household or business
- 3) D - Expenses that do not change (mortgage, car insurance, and child support)
- 4) B - Deficit
- 5) D - Surplus
- 6) A - Food, water, and shelter
- 7) C - After you pay your expenses
- 8) B - Impulse purchase
- 9) D - Somewhere you can be reminded of them everyday (poster,mood board)
- 10) B - Opportunity cost