***Personal Finance and Economics (Ch. 20)***

1. What is the difference between the two main types of income? Include definitions and examples.
2. How have consumer rights changed over time? Give specific examples of laws and agencies created to protect consumer rights.
3. How are consumer responsibilities like those of a voter? Compare smart buying strategies and other responsibilities with the steps voters should use in choosing a candidate or political party.
4. What two scarce resources are involved in making a purchase? Explain with a personal example.
5. Why is it important to make a budget? What can happen if you don’t budget your money?
6. How do you make a budget? Explain each step in the process.
7. Where do consumers get credit and how does it work? Include definitions and examples.
8. What are the pros and cons of using credit? What strategies can you use to avoid the common pitfalls?
9. Why is it beneficial to save money? Include personal as well as societal benefits.
10. Why might someone decide to open both a savings account and a checking account? Explain the purpose
of each.
11. When would you want to use a money market account or a certificate of deposit (CD)? Describe advantages and limitations of each.
12. What are the similarities and differences between stocks, bonds, and mutual funds? Which has the greatest potential for return on investment? Which is least risky? Explain.
13. How are advertising techniques like propaganda techniques? Compare using specific examples.
14. Are you an impulse buyer? Why is it tempting to many people and how can they resist?
15. What kind of economic goals do you have? Make a long-term plan to achieve one of these goals.