Unit 1 Quiz — Money Fundamentals

Teen Money Independence · Lessons 1.1 – 1.5

Name: Date:

PART 1 — MULTIPLE CHOICE (2 POINTS EACH)

Circle the best answer.

1. Which of the following best describes money's role as a "store of value"?

A. It lets people trade without bartering directly

B. It holds purchasing power over time so savings don't have to be spent immediately

C. It gives every item a price that can be compared

D. The government backs it with gold reserves

2. Sofia earns $14/hour and works 25 hours. Her pay stub shows $350 gross and $270 net. What does the $80 difference represent?

A. Her savings contribution

B. Money her employer owes her later

C. Taxes and deductions withheld from her paycheck

D. A bonus she will receive next month

3. Lucy, Joseph, Alex, and Sofia each received a $400 paycheck but took home $317. Joseph spent his $317 over the weekend and borrowed $30 from Lucy on Monday. Which financial concept best explains Joseph's problem?

A. He chose a poor bank account

B. He confused his gross pay for his net pay and spent as if he had $400

C. He forgot to pay his FICA taxes

D. He overpaid for the goods he bought

4. Which account type earns the most interest and is still appropriate for an emergency fund?

A. Checking account

B. A stock brokerage account

C. High-yield savings account

D. Certificate of deposit with a 5-year lock-in

5. FICA deductions on a paycheck fund which two programs?

A. Federal income tax and state income tax

B. Unemployment insurance and Medicare

C. Social Security and Medicare

D. Social Security and federal income tax

PART 2 — SHORT ANSWER (5 POINTS EACH)

👥 Lucy, Joseph, Alex, and Sofia all earned $317 in take-home pay from their part-time jobs last week.

Lucy deposited 20% into savings immediately.

Sofia paid a $6 fee at a check-cashing store instead of using a bank account.

Use the scenario above to answer Question 2.

1. Explain what "opportunity cost" means. Then describe one spending decision you have faced recently where opportunity cost was a factor.

2. Sofia pays a $6 check-cashing fee every two weeks. How much does she spend on fees in one year? Explain one specific step she could take to avoid this cost entirely.

PART 3 — MATH PROBLEM (10 POINTS)

1. Joseph earns $13.50/hour and works 20 hours this week. His total tax withholding rate is 22% (FICA + federal). Calculate his (a) gross pay, (b) total taxes withheld, and (c) net pay.

Show your work:

SCORE

Multiple Choice	Short Answer	Math	Total
/10	/10	/10	/30

Grader notes: