READY TO TEST YOUR FINANCIAL KNOWLEDGE?

Researchers from The Ohio State University developed this quiz to assess the financial knowledge of 28,000-plus college students nationwide as part of the Study on Collegiate Financial Wellness. Test your own knowledge in just a few minutes. Answers are below.

1. Imagine that the interest rate on your savings account is 1% per year and inflation is 2% per year. After 1 year, would you be able to buy more than today, exactly the same as today, or less than today with the money in this account?
   A. More than today  B. The same as today  C. Less than today  D. Don't know

2. Suppose you have $100 in a savings account and the interest rate was 2% per year. After 5 years, how much would you have in the account if you left the money to grow?
   A. More than $102  B. Exactly $102  C. Less than $102  D. Don’t know

3. Suppose you borrowed $5,000 to help cover college expenses for the coming year. You can choose to repay this loan over 10 years, 20 years or 30 years. Which of these repayment options will cost you the least amount of money over the length of the repayment period?
   A. 10-year repayment  B. 20-year repayment  C. 30-year repayment  D. Don’t know

4. All paycheck stubs show your gross pay (the total amount you earned before any taxes were taken out for the pay period) and your net pay (the amount of your check after all taxes). The taxes that are commonly taken out include federal, state and local income tax, Social Security tax and Medicare tax. On average, what percentage of your income would you expect to receive as take-home pay?
   A. 100%  B. 90-99%  C. 80-89%  D. 70-79%  E. Don't know

5. Over a long period of time, which of the following types of investments will give you the highest rate of return on average?
   A. Savings account  B. Stocks  C. Bonds  D. Don’t know

6. True/False: Maxing out your credit card will negatively impact your credit score, even if you make the minimum monthly payments.
   A. True  B. False  C. Don’t know

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