



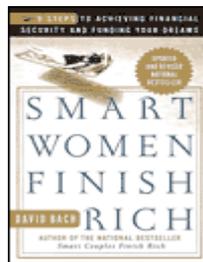
FINAL EXAM

Course # 712001 Financial Security for Women

based on the book:

Smart Women Finish Rich

by: David Bach (2002)



Financial Planning

This exam sheet is made available for your convenience in answering questions while offline. Please note that you will still need to enter your answers on the online exam sheet for grading. Instructions are provided at the end of this document.

Chapter 1 - Learn the Facts - and Myths - About Your Money

1. Financial planning is more important for men than women.

TRUE

FALSE

2. On average, women spend more time off the job than men because:

discrimination causes women to be out of work more than men

child rearing reduces a woman's time on the job

caring for elderly parents often reduces a woman's time on the job

all of the above

3. Typically, men are hurt more by corporate downsizing than women.

TRUE

FALSE

4. While half of all men over the age of 65 receive a pension, the number of women over the age 65 who receive a pension is:

one in three women

one in five women

one in ten women

none of the above

5. According to the National Center for Health, women tend to outlive their male counterparts by an average of:

2 years

5 years

7 years

15 years

6. Ignorance is not bliss.

TRUE

FALSE

7. Your chances of becoming and staying financially successful can be significantly increased by reducing what you don't know that you don't know about money.

TRUE

FALSE

8. What determines your wealth is not how much money you make, but rather how much money you keep of what you make.

TRUE

FALSE

9. Over the course of their lifetimes, most Americans will earn:

less than \$1 million

between \$1 million and \$3 million

between \$3 million and \$6 million

in excess of \$6 million

10. According to Tom Stanley in, *The Millionaire Next Door*, the average millionaire's taxable income is:

\$131,000 per year

\$500,000 per year

\$2,000,000 per year

none of the above

11. Money myth No. 2 is: 'My husband (or some other man) will take care of me.'

TRUE

FALSE

12. The average income for a woman over 65 is less than \$7000 per year.

TRUE

FALSE

13. Based on current rates of inflation, a dollar today will be worth 40 cents in 20 years.

TRUE

FALSE

Chapter 2 - Put Your money Where Your Values Are

14. By discovering what is important about money to you, you in turn discover your values.

TRUE

FALSE

15. Money is merely a tool to help us achieve some particular goal.

TRUE

FALSE

16. The following is an example of a value (as opposed to a goal):

travel

stay married

peace of mind

donate to charity

17. The following is an example of a goal (as opposed to a value):

start my own business

gain security

make a difference

connect with others

Chapter 3 - Figure Out Where You Stand Financially . . . And Where You Want to Go

18. In Pamela Gilbert's book, *The Eleven Commandments of Wildly Successful Women*, women who have achieved extraordinary success have this in common:

they all knew where they wanted to go

they had goals

they created their own plans and focused on making them happen

all of the above

19. Developing 'definiteness of purpose' is the same as 'setting yourself specific goals'.

TRUE

FALSE

20. A goal that is not written down is a slogan.

TRUE

FALSE

21. When developing goals, you should take some immediate action within the next 48 hours.

TRUE

FALSE

22. Goals should be:

specific

measurable

provable

all of the above

23. It's important to keep your goals to yourself so that others can't discourage you.

TRUE

FALSE

24. Designing a proactive life is synonymous with 'goal setting'.

TRUE

FALSE

25. Goals should fit in with your values.

TRUE

FALSE

26. According to Rule No. 7, you should review your goals at least once a month.

TRUE

FALSE

Chapter 4 - Use the Power of the Latte Factor . . . How to Create Massive Wealth on Just a Few Dollars a Week!

27. In 2000, consumer debt hit a record \$1.5 trillion.

TRUE

FALSE

28. The reason most people fail financially is because:

their incomes are too small

they receive bad financial advise

their spending habits are too big

none of the above

29. Women should save 12% of their gross income as opposed to a man's 10% because:

a woman's retirement tends to last 20% longer than a man's

women spend more than men

women tend to have less time until retirement than men do

all of the above

30. The first exercise in getting your spending under control is to estimate what you spend each month.

TRUE

FALSE

31. A 48 hour 'cooling off' period before making any purchase over \$100 will give you a chance to decide rationally if the purchase is really necessary.

TRUE

FALSE

Chapter 5 - Practice Grandma's Three-Basket Approach to Financial Security

32. Your security basket protects you and your family from the unexpected.

TRUE

FALSE

33. Your dream basket enables you to fulfill deeply held desires that make life worthwhile.

TRUE

FALSE

34. Your security basket may buy you the time you need to get back on your feet.

TRUE

FALSE

35. A properly funded living trust must always go through probate.

TRUE

FALSE

36. A revocable living trust:

must always go through probate

is difficult to set up

can be changed whenever you like throughout your lifetime

all of the above

37. The chief advantage to term insurance is that it allows you to build 'cash value'.

TRUE

FALSE

38. A type of permanent insurance is:

whole life

universal life

variable universal life

all of the above

39. According to statistics, one out of every eight people will suffer a serious disability.

TRUE

FALSE

40. Medicare is meant to cover:

acute care needs

custodial care

welfare recipients

all of the above

41. A defined contribution plan used to be known as a Keogh plan.

TRUE

FALSE

42. In 2006, the maximum allowable contribution to a traditional IRA for individuals 49 or younger is:

\$3000

\$4000

\$4500

\$5000

43. The current rule of thumb is that if you are more than ten years from retirement, you'll come out ahead with a Roth IRA as opposed to a traditional IRA.

TRUE

FALSE

44. For a business owner, the disadvantage of a SEP IRA is:

it's difficult to set up

it requires tremendous paperwork

contributions made to employees are immediately 100% vested

all of the above

45. An advantage of a money-purchase plan over a SEP IRA is:

with a money-purchase plan, you're allowed to create a vesting schedule for contributions to employees

your annual contribution is fixed with a money-purchase plan

a SEP IRA is easier to set up

all of the above

46. Rule No. 3 says it's wise to borrow from your retirement plan when you're using the proceeds to pay off credit card debt.

TRUE

FALSE

47. You should never ever put your IRA in the name of a trust or make your beneficiary of the IRA a trust because upon your death, your spouse loses the ability to do a spousal IRA rollover.

TRUE

FALSE

48. Advantages to investing in T-bills include:

backing by the US government

exemption from state tax

liquidity

all of the above

49. Interest earned from municipal bonds is exempt from both state and federal income taxes.

TRUE

FALSE

50. Interest earned from these types of bonds is exempt from federal income tax:

treasury notes

corporate bonds

municipal bonds

all of the above

51. The advantages of a variable annuity include;

- tax deferred growth
- no income limitations at purchase
- guaranteed principal to beneficiaries
- all of the above

52. During your first meeting with a financial planner, you should do most of the talking.

- TRUE
- FALSE

53. A U4 is a record kept by the National Association of Securities Dealers on every licensed financial professional in the US.

- TRUE
- FALSE

Chapter 6 - Learn the 10 Biggest Mistakes Investors Make and How to Avoid Them

54. The first step in eliminating credit card debt is:

- get help
- cut up the cards
- consolidate
- none of the above

55. Mistake No. 4 is 'waiting to buy a house'.

- TRUE
- FALSE

56. Options allow you to speculate on the future price of a given stock.

TRUE

FALSE

57. An illiquid investment is an investment that you cannot sell immediately.

TRUE

FALSE

58. Mistake No. 10 is 'giving up'.

TRUE

FALSE

Chapter 7 - Raising Smart Kids to Finish Rich

59. The key qualification(s) to set up an IRA for your teenage child is:

your child must have earned income

the IRA deposit in any given year cannot exceed the child's income in that year

neither are required

both are required

60. Unlike a Section 529 prepaid tuition plan, a Section 529 college savings plan requires you to select a specific college in a specific state at the time you set up the plan.

TRUE

FALSE

Chapter 8 - Follow the 12 Commandments of Attracting Greater Wealth

Chapter 9 - FinishRich Success Stories - Be Inspired!

Instructions for Submitting Answers Online:

- Sign In at www.ApexCPE.com
- Click the "My CPE" tab at the top of the page.
- Click "My CPE Courses".
- Find the current CPE year and click "Go to My Courses".
- Find this course and click the "Go to Course" link.
- Step 2 on the Course Syllabus page is "Take the Final Exam". Click the "Begin Final Exam" link.
- Enter your answers on the online exam sheet.
- Click the "Grade Exam" button at the bottom of the page. Your exam will be graded automatically. If your score exceeds 70%, a "Create Certificate" button will display. Otherwise, you may continue to retake the exam until you pass.
- A short evaluation page will display. Please provide your feedback for the course.
- Once the evaluation is complete, click the "Submit Evaluation & Create Certificate" button at the top of the page.
- You may print your Certificate of Completion by selecting File Print from your browser. Certificates remain online for at least five years from the certificate date.

**If you have any questions, please call us at 1-877-317-9047
or send an email to support@apexcpe.com**