

# Personal financeassignment assignment

[Business](#)



A prepaid 529 plan lets parents purchase college tuition at today's rates, with the guarantee that they'll be able to apply today's rates to college in the future, no matter how much they go up. A savings 529 plan is an investment account where money is set aside for college expenses.

Accountant - A finance professional who keeps track of a company or individual's money. Accountants are sometimes called auditors. Accounting - The recording, reporting, and analyzing of financial information. Accounting equation - See balance sheet equation. Accounting journal - See ledger. Accounts payable - A part of a company's liabilities.

These are amounts of money owed to other companies for products.

Accounts receivable - Amounts of money that are owed to a company by customers. Accrual basis accounting - The standard accounting type defined by GAP. Active listening - When you are fully engaged and participating as a listener. Adjustable interest rate - See interest rate. Advertising - When a company pays for messages that are meant to get consumers to notice and want its products. Affirmative Action - A collection of policies that recruit and advance qualified minorities, women, people with disabilities, and veterans. Not all businesses use affirmative action.

Affordable Care Act - A law passed in the United States in March 2010. This law is intended to make health insurance more affordable and easier to get.

Aggression - Behavior that is intended to harm or cause pain to others.

Aggression can be verbal or physical. © 2011 Giant Campus, Inc. Page 1 of

44 Agricultural workers - Workers in the farming industry. Alternative investments - Investments other than the traditional categories of stocks, bonds, and cash. Alternative investments include things like real estate,

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annuities, lending, private equity, investment commodities, foreign exchange, collectibles, and social investing.

Amendment - A change that's made to the Constitution. Americans with

Disabilities Act (DAD) - An act that protects the rights of people with

disabilities. Angel investor - An investor or small group of investors who

provide funding to a startup business in its very early stages. This often

takes the form of a private equity investment. See also venture capital.

Annual - Once per year. Annual percentage rate (PAR) - An annual interest

rate that doesn't take into account any compounding of interest that

happened during that year. See also annual percentage yield.

Annual percentage yield (APP) - An annual interest rate that does take into

account compounding of interest that's happened that year. See also annual

percentage rate. Annuity - An agreement you can make with an insurance

company in which you pay the company a specific amount of money, and the

insurance company agrees to pay you back a larger amount of money in

regular payments in the future. See also straight annuity and installment-

certain annuity. Appreciation - When an equity investment increases in

value. See also depreciation. PAR - See annual percentage rate (PAR). APP -

See annual percentage yield (APP).

Assets - Your assets include money you have and things you own that are

worth more. Assets also refers to things a company owns that are worth

money. ATM - See Automated Teller Machines (Tams). Attitude - A person's

feelings and outlook about something. Audit - See IRS audit. Auditor - See

accountant. Automated Teller Machines (Tams) - Machines that let you view

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your bank account information and add or remove money from your account.

0 2011 Giant Campus, Inc. Page 2 of 44 Back button – A button in Firefox that lets you return to the last Web page you visited. See also Forward button. Bailout – See government bailout.

Balance – See bank account and minimum balance. Balance sheet – A sheet that shows how a company’s financial position looks at a moment in time. It doesn’t cover a time period. The balance sheet lists assets, liabilities, and owner equity. It also includes the balance sheet equation, which is  $\text{Assets} = \text{Liabilities} + \text{Owner Equity}$ . This equation is sometimes called the accounting equation. Balance sheet equation – See balance sheet. Balancing a checkbook – Tracking the transactions for a bank account in a checking register and completing the calculations to find out the balance of the account.

Bank – A financial company or organization that stores money for many people. It offers protection against loss or theft. Bank account – A way to keep track of the money the bank is storing for you. The amount of money in a bank account is that bank account’s balance. See also savings account, checking account, and money market account. Bank account holder – A person or company with a bank account. Banknote – A paper bill or note produced by a bank that has a specific value in currency. See cash. Bank panic – When bank runs happen on many banks at the same time.

Bank run – When many people want to take their money out of a bank, and the bank is unable to provide enough cash for all of them. A bank run is also called a run on a bank. Bankruptcy – The inability to pay back creditors, to

the extent that you file legal papers that put your finances under the supervision of the court system. See also declaring bankruptcy. Bargaining - See negotiation. EBB - See Better Business Bureau. Behavior - The combination of things a person says and does. Being organized - Having a reliable and efficient system for organizing your tasks and appointments.

Being trustworthy - Being a person that others can depend on. Page 3 of 44

Beneficiary (of a life insurance policy) -The person or group of people who will chive your life insurance money. Benefits (of a job) - Health insurance, life insurance, retirement plans, or many other things that a company offers to help employees personally and financially. Benefits (of a product) - The ways a product will improve your life by solving a problem or by making you feel good. See also features. Better Business Bureau - An organization that reports on the reliability and ethics of companies and other organizations.

Bias - A prejudice or limit that damages the completeness and accuracy of the information a primary source or secondary source is providing. Bill of Rights - The first ten amendments to the Constitution. Bills - See invoice.

Blank endorsement - A type of endorsement that includes a signature on the back of a check without any special notes. Board of Governors - The portion of the Federal Reserve System appointed by the government to oversee the work of the Fed. Bonds - A type of debt investment in which you lend money to a company or a government, and the company or government gives you a document called a bond.

The bond is a promise that the company or government will pay you back a specific amount on a specific date in the future, so you are promised a

passive return on investment. Bonus - A payment that's given to an employee above their normal salary or wages. Bookkeeping - The recording of financial transactions. Branch - In a bank, a branch is a local bank office you can visit. Break even point - The point when a company makes enough money to pay for itself. Broker - A finance professional who buys and sells stock and other securities on behalf of an investor.

Budget - A financial plan that shows what you plan to do with your money. Budgeting - The act of creating a budget. Builder - A worker who takes raw or manufactured goods and turns them into a finished structure, such as a house, boat, bridge, or skyscraper. 2011 Giant Campus, Inc. Page 4 of 44 Business - An organization that provides commodities to consumers. A business may also be called a company, a firm, an enterprise, or a corporation. Buying in bulk - Buying a large amount of a product at once in order to get a lower price. Buyout - When a company buys another company. Capital - Money or goods that are worth money.

As a factor of production, capital is defined as the tangible goods of value that are created by labor. Services provided by labor are not categorized as capital. Capital only includes tangible material products created by humans. Capital gain - When an investor makes money by selling an equity investment for more than the investor originally paid for it. Capital gains tax - A federal tax that applies to investments and other personal property. The tax is calculated on the amount that the investment has increased in value. This tax is usually applied only when you sell the item, not while you own it.

If the investment or property is owned for less than a year, it is a short-term capital gain and taxed along with regular income at the regular federal income tax rate. If the investment or property is owned for more than a year, it is a long-term capital gain and taxed at a lower rate. Capitalism - A mixed economy system in which private individuals can own businesses and goods and in which production, consumption, and prices are determined mostly by competition in a free market. This is the system used in the U. S. It has more features of a market economy than a planned economy.

The capitalist system in the U. S. Has some government regulation, so prices, production, and consumption are not determined entirely by private producers and consumers. Capitalism is also called a free enterprise system or a private enterprise system. Capital loss - When an investor loses money by selling an equity investment for less than the investor originally paid for it. Career aptitude - A skill or ability that makes you a good fit for a particular job. Career aptitude test - An exam that asks questions about activities you enjoy, skills you have, tasks you dislike, and many other things.

It then uses this information to suggest a career or careers that might be a good fit for you. Career goal - A job-related goal. It may define what kind of job you want, where you want to work, what kind of salary you want, or many other things. Car insurance - Insurance that covers expenses for damage that you cause to others as a driver. Cash - Money in the form of paper bills or coins, including banknotes. Page 5 of 44 Cash basis accounting - A form of accounting that records income when cash is received, and it records expenses when cash is paid out. Cash basis accounting does not meet GAP standards.

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Cash flow - The movement of money in and out of a business. Cash flow statement - A statement that tracks the flow of cash in and out of the company. It focuses on cash instead of income. See also financing activities and investing activities. Cash manager - The person at a company in charge of its process of collecting, investing, and managing cash. Cash reserve - Money a company has in the bank. A cash reserve is sometimes called a rainy day fund because it is there just in case of emergencies. C corporation - The standard, normal type of corporation. It protects the liability of its owners, but has the disadvantage of double taxation.

See also S corporation. C: drive - The name of the main hard drive on many computers. Centrally leaned economy - See planned economy. Checkbook - A booklet containing checks and usually a checking register. Checking account - A very common type of bank account intended to make it easy for you to make deposits and withdrawals. See also savings account. Checking register - A printed set of pages included in a checkbook for you to keep track of transactions that affect your bank account. Checks - Printed slips of paper that can be used to transfer money from one bank account to another. Checks are a feature of checking accounts.

Chief financial officer (SCOFF) - An official at a company who is responsible for its uncial health. The SCOFF directs the company's budgets and financial goals. Children's Health Insurance Program - A program like Medicaid that provides services to children whose parents or guardians make too much money to be eligible for Medicaid, but do not have access to a private health care plan. Citation - When you officially give credit to the person who created a work. You should always cite another person's work when you are <https://assignbuster.com/personal-financeassignment-assignment/>



using it. A list of works cited in a project can be called a reference page, a works cited page, or a bibliography.

Citation is also called citing sources. Citizens – The people living in a country are also called the citizens of that country. Page 6 of 44 Claim – An application or request sent to your insurance company, so you can receive your benefits. See also insurance adjustor. Classifieds – A section in a newspaper or online where employers can post available jobs. Closed-end installment credit – Credit that allows you to take possession of an expensive item and pay off the price of the item in a specific number of equal payments at regular intervals, such as monthly. See also installment credit.

COBRA – See Consolidated Omnibus Budget Reconciliation Act. Collateral – An asset or group of assets that are linked to a loan. Command economy – See planned economy. Commerce – The buying and selling of products. See also domestic commerce. Commodities mutual fund – A mutual fund that's specifically for investments in investment commodities such as livestock or energy sources. Commodity – Something of value that can be bought, sold, or traded. A commodity is sometimes called a product. See also investment commodity. Comparison shopping – Comparing products to find the lowest, fairest price.

Competitive position – The position a company holds in the industry compared o its competitors. Compounding – See compound interest. Compound interest – Interest that is added to the principal, so that the interest you receive starts to generate its own interest. This process is called compounding. See also simple interest. Compression – The process of

making something smaller by squishing or squeezing it. See also file compression (zip) utility and zipped file. Comptroller - A finance professional who makes sure the financial records and reports of a business are accurate and complete.

Conditional endorsement - A type of endorsement that includes a signature on the back of a check and a description of a condition that must be true in order for the check to be cashed or deposited into your bank account.

Conflict of interest - A situation in which the employee could personally benefit by taking unfair advantage of his or her position within the company.

Page 7 of 44 Conformity - The ability to change your attitudes, behaviors, and beliefs so that they match the expectations of those around you.

Congress - The House of Representatives and the Senate.

Consolidated Omnibus Budget Reconciliation Act (COBRA) - A federal government act that allows employees who lose their health insurance to continue participating in the insurance plan for a specific amount of time.

Constitution - In the United States, the Constitution is the supreme law that governs the country. Consumer - Someone who buys or trades in order to receive a commodity. If you're buying something, you are a consumer. An economy is created by exchanges between producers and consumers.

Consumer advocacy group - An organization that works to protect consumer rights and helps consumers understand these rights.

Consumer buying behavior - The way individuals search for, choose, purchase, and use goods. Consumer credit - Credit that is used by individual consumers. Consumer motives - The reasons why people make specific

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choices in spending their money. A rational motive is a logical, practical motive for purchasing a product. Rational motives are often called functional motives. An emotional motive is a motive that's not based on a person's rational, practical thoughts. Instead, it's the result of a person's feelings or emotions. Emotional motives are often called psychological motives.

Consumer Product Safety Commission (CAPS) - A U. S. Government agency with the purpose of " protecting the public from unreasonable risks of serious injury or death from thousands of types of nonuser products. " Consumer satisfaction - When a consumer feels good about the price and quality of products he or she has purchased. Contract - A written agreement that can be legally enforced. Contract job - A job where you work for a specific amount of time or a specific task. When that time period is over or when the task is completed, the job ends.

Contract to hire job A job where you will be hired on a contract at first, and if all goes well, you might later be hired as a full-time regular employee. See contract job. Controllable risks (of a business) - Risks that a business can control internally, such as its hooch of employees, internal organization, policies, and procedures. See also uncontrollable risks. 0 2011 Giant campus, Inc. Page 8 of 44 Convenience goods - Goods that consumers don't want to spend much time and effort on. They are widely available, easy to find, and not usually expensive. Staple goods are considered by consumers as necessary to everyday life.

Impulse goods are not necessities. They are things that people see in a store and decide to buy in the moment. Convenient - Easy to get without a lot of

effort. Corporation – A separate legal business entity. It is legally independent from its owners. Co-signer – The person with established credit who shares responsibility for the debt on a co-signed account. See also primary borrower. Co-signing – A way to take advantage of someone else’s credit history to get a credit card. See also co-signer and primary borrower. Counterfeiting – Making illegal copies of money and trying to pass them off as the real thing.

Cover letter – A short letter from a job application that gives additional information about their qualifications for and interest in the job. A cover letter is sometimes called a letter of application. CAPS – See Consumer Product Safety Commission (CAPS). Credit – A commitment to pay for something in the future, instead of paying for it right away. When you use credit, you are creating debt. See also credit card and lines of credit. In U. S. Financial policy, credit refers to the amount that banks or other financial institutions are able to loan to their customers. Credit bureau – An organization that keeps credit history records.

Credit card – A card that looks similar to a debit card, but is connected to a credit account. Credit counseling service – An organization designed to educate and advise consumers about credit, debt management, and budgeting. The people who work to advise consumers at these services are credit counselors. Credit history – Your history of using credit and making payments. A good credit history makes it more likely that creditors will trust you. See also credit score. Credit limit – The maximum amount of credit a creditor will give you. Credit score – A number that tells lenders how likely you are to make payments on time.

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Credit union - An institution that accepts deposits and makes loans like a bank, but credit unions are cooperative. This means that each person who has an account at the credit union is also a part owner of the credit union. Most credit unions are not set up to make a profit for their owners. 0 201 1 Giant Campus, Inc. Page 9 Of 44 Currency - A specific type of money, such as the U. S. Dollar, Euro, or Japanese yen. Current assets - See current ratio. Current liabilities - See current ratio. Current ratio - A ratio that shows a compass liquidity at a point in time.

The current ratio is calculated with this equation:  $\text{Current assets} \div \text{Current liabilities}$ . Current assets are assets that are expected to be converted to cash within one year. Current liabilities are liabilities that are expected to be paid within one year. Customer service - The part of a company that interacts with customers after they have purchased the product. Debit cards - Small wallet sized cards that can be electronically scanned to transfer money from one bank account to another, similar to using a check. Debt - Money, goods, or services that one person owes to another person or institution.

The longer you wait to pay off certain kinds of debt, the more money it will cost you in interest. Debt capital - The money you raise through debt funding. Debt collector - A person who collects debts on behalf of a creditor. See also Fair Debt Collection Practices Act (PDP). Debt funding - When you get money by borrowing it and promising to pay it back later. Debt investment - An investment without ownership that promises a specific return on the investment. In a debt investment, the investor lends money to

a person or organization and charges interest on the amount that was loaned.

See also equity investment. Debt management plan (DAMP) – A specific, intensive program offered by a credit counseling service. See also debt settlement program. Debtor – A borrower who owes money to another person or organization. See also debt and creditor. Debt ratio – The comparison of a company's debt to its assets. The debt ratio is calculated with this equation:  $\frac{\text{Total liabilities}}{\text{Total assets}}$ . Debt relief service – See credit counseling service. Debt services default – The failure to make a payment, such as a scheduled house payment or the interest on a credit card.

See also defaulting. Page 10 of 44 Debt settlement program – A program that claims it can get you out of debt by negotiating your debt to a much lower amount and working out a payment plan with your creditors. See also debt management plan. Debt to equity ratio – A ratio that compares the company's debt to the amount of equity invested into the company. The debt to equity ratio is calculated with this equation:  $\frac{\text{Total liabilities}}{\text{Total equity}}$ . Declaring bankruptcy – The process of filing legal papers that state that you are unable to pay your debts. See also bankruptcy.

Deductible – A dollar amount you will be expected to pay before the insurance plan takes effect and the insurance company starts paying. See also meeting the deductible. Defaulting – When a borrower pays what is owed. Demand – How much of something consumers want. See also supply. Department of the Treasury – See U. S. Department of the Treasury.

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Dependability - Being reliable, showing up on time, doing what you say you will do, and being willing to take on tasks as needed. Dependent - A member of the household who depends on your income, such as a child or relative.

Depending on experience (DOE) - A salary that is likely to be higher for someone with more experience, education, or skills. Deposit - See transaction. Depreciation - When an equity investment or fixed asset decreases in value. See also appreciation. Depression - See recession.

Desires - Things people want to have in order to be happy and feel good.

Desire-based marketing shows people who are achieving what they desire.

See also fears. Direct competitors - Companies that offer basically the same product, such as two companies that both sell jeans, sports cars, or pizza delivery.

The companies do not have to offer identical sets of goods or services. As long as they offer one identical good or service, they are direct competitors in that area. See also indirect competitors and noncompetitive.

Direct deposit - When an employer puts money straight into the employee's bank account, without using a check. Page 11 of 44

Disability insurance - Insurance that provides income if an injury or illness prevents you from working. See also workers' compensation. Discipline - Self control. Disclosure - The act of making information known.

Discount rate - The interest rate that the Federal Reserve charges member banks to borrow money from the Federal Reserve. Discretionary expenses - When you buy things that you want but don't need, those purchases are discretionary expenses. See also non-discretionary expenses. Discrimination

- When a person is treated unfairly and worse than others, usually because of personal prejudices or stereotypes. Diverse - Made up of many different things. Diversification - An investment strategy in which investments are spread out among many different types, so that the good investments balance out the bad ones.