

# [Finance - personal financial planning](https://assignbuster.com/finance-personal-financial-planning/)

User Tomoki Ando Fall 4, - FINA-3307-01 - Personal Financial Planning - Online Extension Test Final Exam Started 10/19/12 4: 59 PM Submitted   
10/19/12 5: 37 PM   
Status   
Needs Grading   
Score   
Grade not available.   
Time Elapsed   
38 minutes out of 3 hours.   
Instructions   
You will have approximately 3 hours to complete this exam.  If you have any technical trouble you can call the help desk at 1-866-264-1560 or you can contact me at 817-300-8498.  Any work for the short answer/calculations will have to be scanned and/or emailed to me for partial credit consideration.   
Question 1   
3out of 3 points   
  
Which type of health insurance pays part of all of the surgeons fee for an operation   
Answer   
Selected Answer:   
d.   
hospital expenses   
Question 2   
3 out of 3 points   
  
Health insurance typically includes   
Answer   
Selected Answer:   
d.   
all of the above   
Question 3   
3 out of 3 points   
  
Driver classification includes information on a persons and is used to set auto insurance rates   
Answer   
Selected Answer:   
b.   
type of automobile   
Question 4   
3 out of 3 points   
  
Which of the following are important provisions to your life insurace contract   
Answer   
Selected Answer:   
d.   
all of the above   
Question 5   
0 out of 3 points   
  
Which life insurance provision permits the owner of the policy to borrow any amount up to the cash value of the policy   
Answer   
Selected Answer:   
b.   
nonforfeiture clause   
Question 6   
3 out of 3 points   
  
What form of insurance is growing faster than any other form of insurance in the country   
Answer   
Selected Answer:   
c.   
long-term care   
Question 7   
0 out of 3 points   
  
The following are government funded medical programs   
Answer   
Selected Answer:   
a.   
Medicare   
Question 8   
0 out of 3 points   
  
The application for insurance includes two parts, basic information and   
Answer   
Selected Answer:   
a.   
policy costs   
Question 9   
3out of 3 points   
  
Risk assumption is the same as   
Answer   
Selected Answer:   
a.   
risk avoidance   
Question 10   
0 out of 3 points   
  
One of the following is not a method of estimating your life insurance requirements   
Answer   
Selected Answer:   
a.   
Easy   
Question 11   
0 out of 3 points   
  
Losses caused by damage to your car by another person who is at fault in the accident are covered by   
Answer   
Selected Answer:   
c.   
comprehensive physical damage   
Question 12   
0 out of 3 points   
  
Insurance companies base claim settlements on replacement value and   
Answer   
Selected Answer:   
c.   
exact value   
Question 13   
0 out of 3 points   
  
Disability is defined as   
Answer   
Selected Answer:   
d.   
none of the above   
Question 14   
3 out of 3 points   
  
Coverage that pays for the current replacement cost of a stolen or damaged item is called   
Answer   
Selected Answer:   
a.   
replacement value coverage   
Question 15   
3 out of 3 points   
  
Basic health coverage includes   
Answer   
Selected Answer:   
d.   
all of the above   
Question 16   
3 out of 3 points   
  
An HMO is defined as   
Answer   
Selected Answer:   
d.   
Health Maintenance Organization   
Question 17   
3 out of 3 points   
  
A situation in which a person is held responsible for the actions of another person is   
Answer   
Selected Answer:   
b.   
vicarious liability   
Question 18   
0 out of 3 points   
  
A settlement option that provides for payment of life insurance proceeds in equal periodic installments for a specified number of years after your death is called   
Answer   
Selected Answer:   
a.   
interest principal payment option   
Question 19   
3 out of 3 points   
  
Which is a method of evaluating the cost of life insurance by taking into account the time value of money   
Answer   
Selected Answer:   
d.   
cash value index   
Question 20   
0 out of 3 points   
  
Which type of will has been gaining polpularity due to the increased exemption?   
Answer   
Selected Answer:   
d.   
stated dollar amount   
Question 21   
3 out of 3 points   
  
Which source of investment information provides the most current data   
Answer   
Selected Answer:   
a.   
newspapers   
Question 22   
3 out of 3 points   
  
Which of the following investments would have the greatest potential for safety   
Answer   
Selected Answer:   
a.   
government bonds   
Question 23   
3 out of 3 points   
  
Which of the following investments would have the greatest potential for risk   
Answer   
Selected Answer:   
c.   
options   
Question 24   
3 out of 3 points   
  
When stocks are being traded between investors, they are traded in what market   
Answer   
Selected Answer:   
c.   
secondary   
Question 25   
0 out of 3 points   
  
Trusts can be   
Answer   
Selected Answer:   
a.   
callable or noncallable   
Question 26   
3 out of 3 points   
  
The first step in retrirement planning is to   
Answer   
Selected Answer:   
d.   
analyze your current assets and liabilities   
Question 27   
0 out of 3 points   
  
Some mutual funds charge 12b-1 fees to defray the cost of   
Answer   
Selected Answer:   
b.   
selling securities in the funds portfolio   
Question 28   
0 out of 3 points   
  
Payments made to funds shareholders that result in the sales of securities in the funds portfolio are called   
Answer   
Selected Answer:   
[None Given]   
Question 29   
3 out of 3 points   
  
In what type of annuity is the money you pay invested in common stock or other equities, and the income you receive dependent on the investment results   
Answer   
Selected Answer:   
c.   
life annuity with installments certain   
Question 30   
3 out of 3 points   
  
Corporate bonds are   
Answer   
Selected Answer:   
b.   
must be repaid at maturity   
Question 31   
3 out of 3 points   
  
An investor who wants a tax-free investment would choose which type of fund   
Answer   
Selected Answer:   
d.   
municipal bond   
Question 32   
3 out of 3 points   
  
An investor who wants a tax-free investment would choose which type of fund   
Answer   
Selected Answer:   
d.   
municipal bond   
Question 33   
3 out of 3 points   
  
A stock that follows the business cycle of advances and declines in the economy is called what kind of stock   
Answer   
Selected Answer:   
d.   
cyclical   
Question 34   
3 out of 3 points   
  
A stock split   
Answer   
Selected Answer:   
b.   
enables management to bring a stocks price in an " ideal" price range   
Question 35   
3 out of 3 points   
  
A mutual fund in which new shares are issued and redeemed by the investment company at the request of investors is called what type of fund   
Answer   
Selected Answer:   
b.   
open end   
Question 36   
3 out of 3 points   
  
A feature that enables preferred stock investors to receive omitted dividends is called what kind of feature   
Answer   
Selected Answer:   
a.   
cumulative   
Question 37   
3 out of 3 points   
  
A handwritten will that you prepare yourself is called a                                   will   
Answer   
Selected Answer:   
a.   
holographic   
Question 38   
3 out of 3 points   
  
A document that prospective mutual fund investors receive is called a(n)   
Answer   
Selected Answer:   
d.   
prospectus   
Question 39   
0 out of 3 points   
  
A corporation whose stock is owned by relatively few people and is traded openly in stock markets is called what kind of corporation   
Answer   
Selected Answer:   
b.   
private   
Question 40   
0 out of 3 points   
  
Under what retirement plan does your employer make non-taxable contributions to the plan for your benefit and reduce your salary by the same amount   
Answer   
Selected Answer:   
d.   
Defined Benefit   
Question 41   
Needs Grading   
  
Calculate how much you would have in 10 years if you saved $2, 000 a year at an annual rate of 10 percent per year? (assume annual compounding)   
Answer   
Selected Answer:   
22000$   
Question 42   
Needs Grading   
  
If Carissa Dalton/>/> has a $130, 000 home insured for $100, 000, based on the 80 percent coinsurance provision, how much would the insurance company pay on a $5, 000 claim?   
Answer   
Selected Answer:   
$1600   
Question 43   
Needs Grading   
  
Bill Matthews invested $9, 800 in the John Hancock growth and income fund.  The fund charges a 5. 3% commission when shares are purchased.  Calculate the amount of commission Bill must pay.   
Answer   
Selected Answer:   
$5149   
Question 44   
Needs Grading   
  
You and your spouse are in good health and have reasonably secure careers. Each of you makes about $28, 000 annually. You own a home with an $80, 000 mortgage, and you owe $10, 000 on car loans, $5, 000 in personal debts, and $3, 000 on credit card loans. You have no other debts. You have no plans to increase the size of your family in the near future. Estimate your total insurance needs using the DINK method.  Assume $5, 000 for funeral expenses.   
Answer   
Selected Answer:   
$400   
Question 45   
Needs Grading   
  
The Kelleher family has health insurance coverage that pays 80 percent out-of-hospital expenses after a $500 deductible per person. If one family member has doctor and prescription medication expenses of $2, 800, what amount would the insurance company pay?   
Answer   
Selected Answer:   
$136   
Question 46   
Needs Grading   
  
James Hayes owns Ohio Utility preferred stock.  If this preferred stock issue pays 6. 25% based on a par value of $25, what is the dollar amount of the dividend for one share of Ohio Utility?   
Answer   
Selected Answer:   
$4   
Question 47   
Needs Grading   
  
Assume that you purchase an investment for $6, 000 that pays $50 annual income.  You sell the investment at the end of one year for $6, 850, what is the annual rate of return?   
Answer   
Selected Answer:   
70%   
Question 48   
Needs Grading   
  
Becky Fenton has 25/50/10 automobile insurance coverage. If two other people are awarded $15, 000 each for injuries in an auto accident in which Becky was judged at fault, how much of this judgment would the insurance cover?   
Answer   
Selected Answer:   
$30000   
Friday, October 19, 2012 5: 37: 33 PM CDT   
People always  want to achieve different goals in terms of financial achievement. They are the basic rules that one needs to follow to come up with a good and comprehensive finical plan that will not affect his/her income. The first thing you need to know is your current financial income. This will enable you to plan accurately. The second is developing a financial target. This will make you remain focused on what you do. Also one needs to know what are the alternatives one has in case one side fails or an emergency occurs. Every decision you make must have an alternative and a course of action. Creation of financial plan should be another factor. One needs to choose his or her goals clearly either long term or short term ones. For example one can buy things in higher purchases to attain long term goal. Finally is reviewing your plan time and again as it  is dynamic and tend to change now and then . This is to enable accommodation of more factors that come along the way.