

Finance - personal financial planning



**ASSIGN
BUSTER**

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

3 out 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 insurance 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

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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

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Answer

Selected Answer:

a.

policy costs

Question 9

3 out 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

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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

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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:

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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 popularity 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 retirement planning is to

Answer

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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

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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

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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

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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

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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

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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.

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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

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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 financial plan that will not affect his/her income. The first thing you need to know is your current financial income.

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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.