

Name _____



DECISION-MAKING ASSESSMENT

Show What You Know

We all have limited time and money, and resisting impulse buys is a key **financial strategy**. “Saving” is really just planning to “spend later.” It’s all spending, but the difference is whether you’re planning to spend now or spend later: *Do you really need to buy something now or can it wait?*

Here’s a quick quiz that reviews some of the important points we’ve covered. See how much you’ve learned about money and managing your finances.

1. What are three things a person can do to reduce their expenses?

2. Expenses can be classified as “needs” or “wants.” Decide whether you think the following items are needs or wants. Please explain your thinking. For an extra challenge, identify a situation in which each expense below is a need AND a situation when it’s a want.



a.) A visit to Nikki’s eye doctor for new glasses.

Want or need? _____
Explain your thinking: _____



c.) Expensive running shoes to help Nikki exercise.

Want or need? _____
Explain your thinking: _____



b.) Movie tickets for Nikki and a friend.

Want or need? _____
Explain your thinking: _____



d.) A graphing calculator for Nikki’s finance class.

Want or need? _____
Explain your thinking: _____

3. Fill in the blanks with words from the word bank to make the statement true:

WORD BANK Interest Expenses Savings Income _____ - _____ = _____

Answer Key: (1) Compare prices from different sellers; consider reducing, eliminating, or deferring expenses that are considered wants; consider buying a used item if it will suit your purpose; (2a) need; (2b) need; (2c) want; (2d) probably a need, but “fancy” school supplies could be considered a want.
(3) Income = Savings + Expenses