

Study Guide: Financial Literacy Final Exam

Reading comprehension – be able to read an interview and informative text for comprehension and interpret text.

Some typical questions are:

- What is the intended effect of a particular sentence, phrase or word?
- What sentence supports a particular statement?
- What is the main point of the reading?
- How are particular assertions supported?

Naviance – if given a screen shot of a college’s “general information”, be able to locate the following

How You Compare	GPA	PSAT to SAT 1600	PSAT to SAT 2400	Single SAT 1600	Combined SAT 1600	Single SAT 2400	Combined SAT 2400	PLAN to ACT	ACT	IB	Acce
	3.19	-	-	-	1260	1810	1820	-	-	-	-
Bowdoin College*	3.86	-	2303	-	1540	2303	2303	-	-	-	3/12

GENERAL INFO

ADMISSIONS

FINANCIAL AID

MAJORS AND DEGREES

STUDENT LIFE

Application History

Class	Apply	Admit	Enroll
2015	1	0	0
2013	1	0	0
2011	4	1	0
2010	1	0	0
2009	1	0	0
2008	4	2	0

General Information

School Type: Private

Enrollment: 1,762

Religious Affiliation: -

Campus Surroundings: Small Town

CEEB Code: 3089

ACT Code: 1636

- Average GPA of admitted students
- Average SAT score of admitted students
- How many North students applied, were admitted and enrolled for a particular year
- School type – public vs. private
- Total enrollment
- Religious affiliation, if any
- Campus surroundings e.g. urban

W2 – be able to find the following on a wage statement

- Marital status – single vs. married
- State income taxes withheld
- Federal income taxes withheld
- Gross pay for the year
- Medicare deduction
- Social security deduction
- Employee information
- Employer information

22222		Employee's social security number 567-89-0123		OMB No. 1545-0008	
b. Employee identification number (EIN) 87-1234567		1 Wages, tips, other compensation 32,519.85		2 Federal income tax withheld 4,877.98	
c. Employer's name, address, and ZIP code ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101		3 Social security wages 32,519.85		4 Social security tax withheld 2,016.23	
d. Control number		5 Medicare wages and tips 32,519.85		6 Medicare tax withheld 471.54	
e. Employee's first name and initial WILLIAM J SMITH		7 Social security tips		8 Allocated tips	
Last name MURRAY		9 Advance EIC payment		10 Dependent care benefits	
Address 456 TIMBER DR MURRAY UT 84150		11 Nonqualified plans		12a	
f. Employee's address and ZIP code		13 State income tax		12b	
15 State UT		16 State wages, tips, etc. 32,519.85		12c	
17 State income tax 767.99		18 Local wages, tips, etc.		12d	
19 Local income tax		20 Locality name			

Form **W-2** Wage and Tax Statement **2008** Department of the Treasury—Internal Revenue Service

Paycheck and Taxes – be able to calculate the following with a calculator

- Gross pay if give salary and pay period or wage and hours worked
- 6.2% social security deduction per paycheck (gross pay per paycheck * 0.062)
- 1.45% medicare deduction per paycheck (gross pay per paycheck * 0.0145)

- Find what state and federal tax bracket a person belongs to by using YEARLY income

2014 Federal Tax Rates	Single
Personal Exemption	
Std Deduction	\$6,200
10%	\$0 – \$9,075
15%	\$9,076 – \$36,900
25%	\$36,901 – \$89,350
28%	\$89,351 – \$186,350
33%	\$186,351 – \$405,100
35%	\$405,101 – \$406,750
39.6%	over \$406,750

How New Jersey State income tax rates are structured

The tax table below will show in detail the New Jersey state income tax rates by income tax bracket(s). There are 6 income tax brackets for New Jersey.

If your income range is between \$0 and \$20,000, your tax rate on every dollar of income earned is 1.4%.

If your income range is between \$20,001 and \$35,000, your tax rate on every dollar of income earned is 1.75%.

If your income range is between \$35,001 and \$40,000, your tax rate on every dollar of income earned is 3.5%.

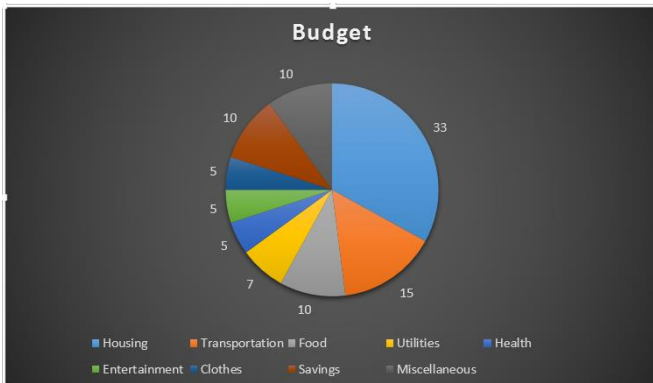
If your income range is between \$40,001 and \$75,000, your tax rate on every dollar of income earned is 5.525%.

If your income range is between \$75,001 and \$500,000, your tax rate on every dollar of income earned is 6.37%.

If your income range is \$500,001 and over, your tax rate on every dollar of income earned is 8.97%.

- Percentage being taken out of each paycheck (if a person is in the 28% bracket gross pay per paycheck *0.28)
- Net pay after all paycheck deductions

Budget – be able to calculate how much money should be allocated to budget items based on pie chart. Again, you will be able to use calculators.



AGE	BEN INVESTS:		ARTHUR INVESTS:	
19	2,000	2,240	0	0
20	2,000	4,749	0	0
21	2,000	7,558	0	0
22	2,000	10,706	0	0
23	2,000	14,230	0	0
24	2,000	18,178	0	0
25	2,000	22,599	0	0
26	2,000	27,551	0	0
27	0	30,857	2,000	2,240
28	0	34,560	2,000	4,749
29	0	38,708	2,000	7,558
30	0	43,352	2,000	10,706
31	0	48,554	2,000	14,230
32	0	54,381	2,000	18,178
33	0	60,907	2,000	22,599
34	0	68,216	2,000	27,551
35	0	76,802	2,000	33,097
36	0	85,570	2,000	39,309
37	0	95,383	2,000	46,266
38	0	107,339	2,000	54,058
39	0	120,220	2,000	62,785
40	0	134,646	2,000	72,559
41	0	150,804	2,000	83,506
42	0	168,900	2,000	95,767
43	0	189,168	2,000	109,499
44	0	211,869	2,000	124,879
45	0	237,293	2,000	142,104
46	0	265,768	2,000	161,396
47	0	297,660	2,000	183,004
48	0	333,379	2,000	207,204
49	0	373,385	2,000	234,308
50	0	418,191	2,000	264,665
51	0	468,374	2,000	298,665
52	0	524,579	2,000	336,745
53	0	587,528	2,000	379,394
54	0	658,032	2,000	427,161
55	0	736,995	2,000	480,660
56	0	825,435	2,000	540,579
57	0	924,487	2,000	607,688
58	0	1,035,425	2,000	682,851
59	0	1,159,676	2,000	767,033
60	0	1,298,837	2,000	861,317
61	0	1,454,698	2,000	966,915
62	0	1,629,261	2,000	1,085,185
63	0	1,824,773	2,000	1,217,647
64	0	2,043,746	2,000	1,366,005
65	0	\$2,288,996	2,000	\$1,532,166

Compound Interest

- Calculate compound interest using calculator and given equation

future value = present value (1 + interest rate as decimal) ^ years left invested

- Interpret the story of Ben and Arthur to understand what drives compound interest

Stock Table – find the following on a stock table

How to read stock tables

Stock		52 Week					Day				
Company	Ticker	High	Low	Div	Yield%	P/E	Volume (100s)	High	Low	Last	Change
McDonald	MCD	56.56	39.48	1.50	2.70%	32.53	60230	56.56	55.93	56.37	+0.33 (0.59%)

Company name and its Ticker Symbol. Some newspapers abbreviate the company name. Many websites let you type the company name or the ticker symbol to find the information.

The highest and lowest prices paid for the stock during the past 52 weeks.

Dividend or the yield % is calculated by dividing the annual dividend by the current price of the stock.

Short for price/earnings ratio. The price of a share of stock divided by the company's earnings per share for the last year.

The total amount of stock traded during the previous day.

The highest and the lowest price paid for the stock during the previous day.

The last price paid for the stock at the end of the previous day.

The difference between the last trade and the previous day's price. Or the % change.