

Financial literacy

Test your knowledge

How does your financial literacy measure up? Take this quiz to find out.

- 1 If the inflation rate is five per cent and the interest rate you get on your savings is three per cent, will your savings have at least as much buying power in a year's time?**
 - a) Yes
 - b) No
- 2 A credit report is:**
 - a) A list of your financial assets and liabilities
 - b) A monthly credit card statement
 - c) A loan and bill payment history
 - d) A credit line with a financial institution
- 3 Lindsay has saved \$12,000 for her university expenses by working part-time. Her plan is to start university next year and she needs all of the money she saved. Which of the following is the safest place for her university money?**
 - a) Corporate bonds
 - b) Mutual Funds
 - c) A bank savings account
 - d) Locked in a safe at home
 - e) Stocks
- 4 Which of the following investments would best protect the purchasing power of a family's savings, if inflation suddenly increased?**
 - a) A 25-year corporate bond
 - b) A house financed with a fixed-rate mortgage
 - c) A 10-year corporate bond
 - d) A certificate of deposit at a bank
- 5 Which of the following statements is not correct about most ATMs (Automated Teller Machines)?**
 - a) You can get cash anywhere in the world with no fee
 - b) You must have a bank account to use an ATM card
 - c) You can generally get cash 24 hours a day
 - d) You can generally obtain information concerning your bank balance at an ATM
- 6 Which of the following can hurt your credit rating?**
 - a) Making late payments on loans and debts
 - b) Staying in one job too long
 - c) Living in the same location too long
 - d) Using your credit card frequently for purchases
- 7 What can affect the amount of interest you would pay on a loan?**
 - a) Your credit rating
 - b) How much you borrow
 - c) How long you take to repay the loan
 - d) All of the above
- 8 Which of the following will help lower the cost of a house?**
 - a) Paying off the mortgage over a long period of time
 - b) Agreeing to pay the current rate of interest on the mortgage for as many years as possible
 - c) Making a larger down payment at the time of purchase
 - d) Making a smaller down payment at the time of purchase

Create a realistic budget

The Financial Consumer Agency of Canada has a useful online budgeting tool that shows you the big picture. You can create a report that shows how much you're earning, saving and spending at a glance. Try out the calculator to create a budget that works for you.

Go to www.gw3.ca/BudgetCalculator to create your own budget.

Shortened questions from the 2014 Canadian Financial Capability Survey were used to create this survey. To see the full list of questions, visit www.gw3.ca/FinancialQuiz.

How does your financial knowledge measure up?

Overall, women score 58.6 per cent compared to 62.2 per cent for men.