

# HEHS Consumer Education

## Savings & Investing Study Guide

NAME:

List reasons why people save at various stages in life.

Explain the difference between commercial banks, credit unions, and investment companies.

Calculate simple interest.

Explain the benefits of compound interest on savings.

Distinguish between certificates of deposit, money market accounts, and savings bonds as used in a savings plan.

List common forms of retirement plans.

Explain what a share of stock represents and what dividends are.

Explain how the price of stock is determined.

Identify the differences between growth, speculative, and blue chip stocks.

Growth:

Speculative:

Blue Chip:

Evaluate savings, bonds, stocks, real estate, and mutual funds based on rate of return, liquidity, risk, and financial goals.

	Rate of Return	Liquidity	Risk	Financial Goals
Savings				
Bonds				
Stocks				
Real Estate				
Mutual Funds				

Given a stock quote, identify each of the following: a) 52-week high, b) 52-week low, c) stock name, d) dividend, g) high, h) low, i) last, j) change.

Describe how diversification reduces ones risk.

Apply the Rule of 72 to an investment.

Define liquidity.