

Savings Options Quiz

Covid-19 Remote Learning

Short Answer

1. What factors should you consider before choosing a savings option?
2. What is the advantage of a savings option that's highly liquid? What is the disadvantage?
3. In what general circumstances might a certificate of deposit be a wise savings choice?
4. How can you evaluate the safety of a savings account?
5. Which is more liquid, a certificate of deposit or a money market account?
Explain
6. What is a money market account? What are its drawbacks?
7. What is a savings bond? What are its advantages?
8. What is the typical term range for a CD? Give an example of the penalty for withdrawing from it before the term is completed?
9. Imagine that you've inherited \$5000, which you plan to use for your education. Explain your needs in regard to the following factors: safety, liquidity, earnings, and restrictions. What savings option would you be most likely to choose? Why?
10. How does buying a savings bond increase the federal government's debt?