



## ■■■■■ Check Your Financial Jargon IQ

Below are terms used by financial institutions that offer savings options. See if you can match each of the words or phrases in Column A with the list of definitions in Column B.

<b>A</b>	<b>B</b>
<b>Financial Terms</b>	<b>Definitions</b>
_____ 1. Interest Rate	a. Financial institution charges for having an account.
_____ 2. Service charges	b. The chance that you will lose some or all of your money.
_____ 3. Annual percentage yield	c. Ease of converting savings to cash.
_____ 4. Rule of 72	d. An accumulation of money.
_____ 5. Compound Interest	e. The price of money expressed as a percent.
_____ 6. Liquidity	f. A type of federal insurance that protects most savings vehicles.
_____ 7. FDIC	g. The percent your money will increase in one year if you do not make any withdrawals.
_____ 8. Principal or Capital	h. Length of time before you can receive principal plus interest without penalty.
_____ 9. ATM	i. Interest is paid on your interest.
_____ 10. Maturity Period	j. A formula for figuring out the number of years it takes to double your money at a particular interest rate.
_____ 11. Risk	k. A banking machine that can be used to make deposits and withdrawals.

*Adapted from AARP Money After 50*

**Answers:** 1-e; 2-a; 3-g; 4-j; 5-i; 6-c; 7-f; 8-d; 9-k; 10-h; 11-b

MONEY2000/Bul3, Wksht1

Michigan State University Extension programs and materials are open to all without regard to race, color, national origin, sex, disability, age, or religion. MSU is an affirmative-action, equal-opportunity institution.

