

Name \_\_\_\_\_

Date \_\_\_\_\_

## CASHFLOW 101 POST TEST

### Matching

Match each of the terms listed below with the numbered definition. Write the letter in the space provided.

- |                     |                  |
|---------------------|------------------|
| A. capital          | H. true wealth   |
| B. ROI              | I. balance sheet |
| C. asset            | J. capital gain  |
| D. rat race         | K. dividend      |
| E. income statement | L. the market    |
| F. doodads          | M. liabilities   |
| G. opportunity      | N. mortgage      |

1. \_\_\_\_\_ Board of directors must approve this distribution of profits.
2. \_\_\_\_\_ Money or property owned or used in business.
3. \_\_\_\_\_ Also called a profit and loss statement.
4. \_\_\_\_\_ When cash flow from your investments provides the lifestyle you choose.
5. \_\_\_\_\_ Unnecessary or unexpected expenses.
6. \_\_\_\_\_ Puts money in my pocket.
7. \_\_\_\_\_ Where you find buyers for your investments.
8. \_\_\_\_\_ The endless cycle of never seeming to get financially ahead.
9. \_\_\_\_\_ Takes money out of my pocket.
10. \_\_\_\_\_ A snapshot of your assets and liabilities.

## Multiple Choice

Select the best answer by circling the letter.

1. Time certificate for money deposited for a set time and rate of interest.
  - A. Stock
  - B. Mutual Fund
  - C. CD
2. Securities managed by a professional investment company.
  - A. Stock
  - B. Mutual Fund
  - C. CD
3. Money is earned through assets and taxes are paid after spending.
  - A. rich
  - B. middle class
  - C. poor
4. Money comes in as income, taxes are paid, then liabilities are paid, then expenses are paid, then keep what is left (if any).
  - A. rich
  - B. middle class
  - C. poor
5. Money comes in as income and goes out directly as expenses.
  - A. rich
  - B. middle class
  - C. poor
6. You own 1000 shares of ABC Company at \$10 per share. A 2 for 1 share split is announced. Then the board of directors approves a quarterly dividend of \$.03 per share. How much is your dividend check?
  - A. \$10
  - B. \$30
  - C. \$60
7. You own 200 shares of XYZ Company worth a total of \$10,000. The board of directors announces a 2 for 1 share split. What do you now own?
  - A. 400 shares at \$25
  - B. 400 shares at \$50
  - C. 100 shares at \$5
8. You have an opportunity to buy a rental 3Br/2Ba House. The cost is \$50,000 with a down payment of \$6,000. If your monthly cash flow is \$250, then what is your ROI?
  - A. 30%
  - B. 40%
  - C. 50%

## Short Answer

Using the Business Manager player card, complete the following transactions. Then, answer the questions that follow.

- Buy 500 shares of OK4U. Today's price is \$10.00
- Buy a 3Br/2Ba House:
  - Cost: \$50,000                      Mortgage: \$47,000
  - Down Pay: \$3,000                      Cash Flow: \$200
- Have your first child.
- OK4U Stock splits 2 for 1.
- Buy 4-plex apartment.
  - Cost: \$90,000                      Mortgage: \$75,000
  - Down Pay: \$15,000                      Cash Flow: \$500
- Pay off your Retail Debt.
- Sell your 3Br/2Ba House for \$110,000
- Pay off your Credit Card.
- Buy into an Auto Dealership business as a Limited Partner
  - Cost: \$30,000                      Liability: \$0
  - Down Pay: \$30,000                      Cash Flow: \$1,000
- Pay off your Car Loan

1. What is your Passive Income?
  
  
  
  
  
  
  
  
  
  
2. What are your Total Expenses?
  
  
  
  
  
  
  
  
  
  
3. Are you out of the Rat Race? Why or Why Not?
  
  
  
  
  
  
  
  
  
  
4. At today's price of \$50, how much is your OK4U stock worth?
  
  
  
  
  
  
  
  
  
  
5. Calculate the ROI for the Limited Partnership.