

# Check Your Answers: After You Read

## Section 14.1

### Review Key Concepts

1. You might be paid by the hour, by the piece, with a salary, or by commission.
2. Money market accounts and compound interest are two ways to build savings.
3. The four most common types of insurance are health, automobile, home, and life insurance.

### Practice Academic Skills

4. Answers will vary, but may include insurance for earthquakes, hail, and other natural events; accident, sickness, and unemployment; and many types of business-related insurance. Some insurance is optional, while other types may be required, such as flood insurance in certain regions.
5. Explain the state and local taxes, such as sales tax, as well as any state taxes, such as income tax, affect the way people choose to use their money. Since taxes add money to the price of certain items, some people may not be able to afford an item. People may also choose a less expensive brand, or include the tax amount into their personal budget.

## Section 14.2

### Review Key Concepts

1. Because of interest, you almost always pay more with credit than you would if you paid at the time of purchase.
2. General purpose cards are issued by major banks and financial institutions and can be used at businesses around the world. Smart cards are specially designed for online shopping.
3. To use a credit wisely, set monthly limits, pay balances within the grace period, ensure a Web site is secure if shopping online, and notify the credit card company if a card is stolen.

### Practice Academic Skills

4. A payday loan is credit from an establishment that allows customers to write a check which the loan establishment waits to cash. This type of credit is often accompanied by a very high rate of interest.
5. Answers will vary based on student opinions, but should reflect an understanding of credit, and the possible impacts that interest, financial charges and debt have on a large scale.