SOCIAL STUDIES
OBJECTIVES SOLUTION
FINANCIAL LITERACY

1. **c)** Roughly 1% less in goods and services.
2. **b)** Budgeting
3. **b)** The fund's primary purpose is immediate liquidity in a crisis, not wealth growth.
4. **b)** A strong regulatory framework for financial institutions
5. **c)** It maximizes the power of compound interest over a longer period.
6. **a)** The potential for high returns is almost always linked to high risk.
7. **a)** The quality and availability of services like healthcare and education will likely decline due to lack of funding.
8. **b)** It reduces the government's maintenance costs for that park, freeing up public funds for other needs.
9. **b)** Because Person A's consistent payment history results in a higher credit score, indicating lower risk to the lender.
10. **c)** Fighting corruption and holding officials accountable for the misuse of public money.
11. **b)** A reliable car for commuting to a job is a need; a luxury sports car is a want.
12. **b)** All citizens, regardless of their income level, have access to useful and affordable financial products.
13. **c)** The credit card, because its significantly higher interest rate makes it more costly over time.
14. **b)** It creates a more productive, skilled, and innovative workforce, which drives economic growth.
15. **b)** A significant portion of their future income will be committed to debt repayment, leaving less for savings or investments.
16. **c)** Mitigate the financial impact of a large, unexpected loss by paying a smaller, regular premium.
17. **b)** Because a drop in the global price of that single commodity could devastate the entire national economy.
18. **b)** Having a clear plan and a sense of control over one's finances reduces anxiety about the future.
19. **b)** Public funds are spent on projects that the community itself identifies as priorities.
20. **b)** The loss of that one job would result in a total and immediate loss of income.
21. **c)** Severe and direct negative consequences for individuals and businesses.
22. **b)** To ensure that their spending aligns with their long-term financial goals and to prevent wasteful overspending.
23. **b)** Sustainable use of public finances.
24. **c)** History and reliability in repaying borrowed money.
25. **b)** Understanding the fundamental relationship between risk and reward in investments.
26. **a)** It creates local jobs and ensures that money continues to circulate within the community's economy.
27. **c)** Investing in a diversified portfolio of stocks and bonds.
28. **b)** Uncontrolled inflation can rapidly erode the purchasing power of the entire population.
29. **c)** Greater peace of mind and financial security.
30. **b)** Because the amount borrowed will directly affect their financial health and flexibility for many years after graduation.
31. **b)** The sustainable use of public finances at the community level.
32. **b)** Because of the power of compound interest working over a much longer period.
33. **c)** Create long-term economic benefits and improve public welfare.
34. **c)** The principle of managing risk to prevent a catastrophic financial loss.
35. **b)** It suggests that the next generation may be unprepared for the financial challenges of adulthood.
36. **b)** The emergency fund is for immediate access and liquidity, while the retirement fund is for long-term growth.
37. **c)** A decrease in public trust and a higher risk of corruption.
38. **b)** A medium-term goal.
39. **a)** The population is more susceptible to financial exploitation, which can lead to widespread economic instability.
40. **a)** A public-private partnership (PPP).
41. **b)** Having an adequate emergency fund.
42. **b)** Investments in the country's long-term future, such as infrastructure and education.
43. **b)** Create and follow a budget that allows for consistent saving and investing.
44. **b)** The goal of financial inclusion by making digital financial services safer and more trustworthy.
45. **b)** The core principles of financial literacy.
46. **b)** Financial security depends on disciplined planning and saving, not just on the level of income.
47. **b)** A growing national debt.
48. **b)** Make informed decisions that enhance their own financial well-being and security.
49. **b)** Be able to fund local projects and have greater economic resilience against downturns.
50. **c)** Individuals can significantly improve their financial well-being through knowledge and disciplined behavior.