

Name \_\_\_\_\_

## Personal Finance

### Topic 4 – Inflation – Review for Quiz

#### Part I – Short Answer:

- 1) Define Inflation
- 2) What does CPI stand for?
- 3) Name some of the items that are included to determine CPI

#### Part II: For the following questions, use real dollar comparisons with the correct years' CPI values to determine which year the item is more expensive

- 4) In 1992, apples were \$0.33 per pound. Today in 2014, apples sell for \$1.69 per pound
- 5) In 2004 a house on Peachtree Lane sold for \$315,000. Today, that same house will sell for \$399,000
- 6) In 1985 a personal computer was \$700. Today, that same computer is \$499

#### For each scenario, find:

- A) Monthly Salary
- B) Determine 10% level of suggested savings
- C) Monthly Net
- D) Amount Saved
- E) Determine % of income saved
- F) Is this person meeting their target 10% savings amount?

1. Kaitlin:

\$45,000 annual salary.  
After taxes and FICA keeps 68% of income  
Total Expenses = \$1500 per month

2. Anthony:

\$89,000 annual salary.  
After taxes and FICA keeps 57% of income  
Total Expenses = \$3900 per month