



JA FINANCIAL LITERACY®

Student Guide

UNIT 2: MONEY MANAGEMENT & FINANCIAL INSTITUTIONS

Topic 1: Financial Institutions & Services

NAME: _____

DATE: _____

PRE-QUIZ

Financial Institutions & Services

What + Why: A quick, ungraded check on what you already know—your answers help shape the learning ahead. It's okay not to know— just give it your best shot.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
 3. Submit it when you're done.
-
1. Credit unions may offer higher interest rates on savings accounts because they _____.
 - ☐ a. are member-owned, not-for-profit financial institutions
 - ☐ b. are insured by a different federal program than banks
 - ☐ c. are allowed to take larger investment risks than banks
 - ☐ d. are required by law to offer higher interest rates
 2. When demand for loans increases, interest rates typically _____.
 - ☐ a. decrease because lenders want to encourage more borrowing
 - ☐ b. remain fixed because banks set rates in advance
 - ☐ c. increase because more borrowers are competing for available funds
 - ☐ d. decrease because economic growth lowers borrowing costs

3. Dexter keeps all of his money in a mobile payment app rather than a bank account. Which **risk** is most likely?
- ☐ a. The funds may not be protected by deposit insurance if the platform fails.
 - ☐ b. The funds could lose value due to market fluctuations.
 - ☐ c. The account cannot be accessed using a mobile device.
 - ☐ d. The user will be charged interest for keeping money in the account.
4. Linsee receives a paper paycheck and cashes it at a check-cashing service instead of using a bank account. What is a common drawback of this choice?
- ☐ a. The service usually charges a fee to cash the check.
 - ☐ b. The service often requires a long-term savings contract.
 - ☐ c. The service automatically deposits the money into a bank account.
 - ☐ d. The service prevents the user from accessing the money immediately.

NAME: _____

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ACTIVITY

Transportation Situation Kickoff

What + Why: Get familiar with Jordan's car-buying situation for the case study so you can understand what's at stake before making decisions.

Supporting Materials:

Unit 2 Case Study: Transportation Situation (Case Brief)

Topic 1: Introduction (Case Study)

**Instructions:**

Read the overview of the case study and the introduction to Topic 1 and think about these questions:

1. What does owning a car actually change about someone's daily life?
2. Why might buying a car feel exciting/stressful at the same time?
3. What makes this a bigger decision than buying something like clothes or a phone?
4. If you were in Jordan's situation, what would you be most excited and worried about?

NAME: _____

DATE: _____

REFLECTION

Teen Banking

What + Why: Connect teen spending data to how money shows up in your own life.

A 2024 report found that about **80% of kids ages 7-17 spend up to \$50 a week**, and **10% spend \$100 or more each week**—adding up to thousands of dollars in transactions each year.



Reflect:

1. Does this statistic surprise you? Why or why not?
2. How do teens in your area usually spend money? Consider things like cash, school lunch cards, debit or credit cards, or mobile payment apps (Apple Pay, Cash App, Venmo, PayPal, Zelle).
3. Before teens spend their money, where do you think it is usually kept? Describe this in your own words.

NAME: _____

DATE: _____

ACTIVITY

Finding the Right Financial Fit

What + Why: Compare financial institutions and tools to see how different options manage money—and what might matter when saving for something big.

Supporting Materials:

Financial Institutions, Tools & Services Comparison (Case Study)

Part 1

Instructions:

Use the Financial Institutions, Tools & Services Comparison chart to answer the questions below. Use evidence from the chart to support each of your claims.

1. What is the difference between a financial institution and a financial tool/platform based on this table?
2. Which features seem designed for convenience, and which seem designed for security?
3. What trade-offs appear between convenience, access, cost, and security?

Part 2

Instructions:

Use the Financial Institutions, Tools & Services Comparison chart to apply your knowledge to various profiles. Use evidence from the chart to support your claims.

1. Review the profile cards provided.
2. Which financial institution would best fit this person's situation based on the chart?
3. What products, services, and/or feature(s) from the chart helped you make that decision?

My Group's Assigned Profile is: _____

Circle which you think matches best:

Commercial Bank | Credit Union | Online Bank

Explain your reasoning:

Part 3

Instructions:

Connect the Financial Institutions, Tools & Services Comparison chart back to the Transportation Situation case study.

1. Looking at this chart, what features or trade-offs might Jordan need to think about when deciding where to keep money while saving for a car?

PROFILE A

Limited Internet Access

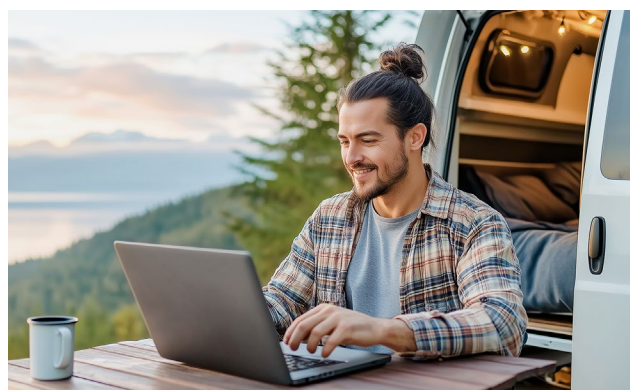
- Internet access is inconsistent
- Needs to handle money in person
- Prefers face-to-face help



PROFILE B

Frequent Traveler

- Travels often and moves a lot; works remotely
- Needs access to money in many locations
- Wants fewer location-based limits



PROFILE C

Community-Focused

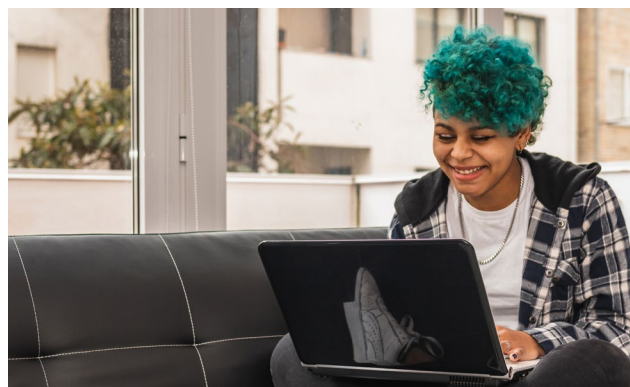
- Cares about supporting local businesses
- Likes the idea of being part of a community
- Willing to trade some convenience for values



PROFILE D

First-Time Account Holder

- Has never had a bank account before
- Wants something simple and clear
- May need extra guidance getting started



NAME: _____

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ACTIVITY

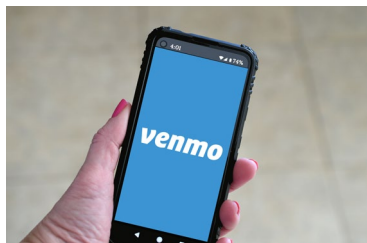
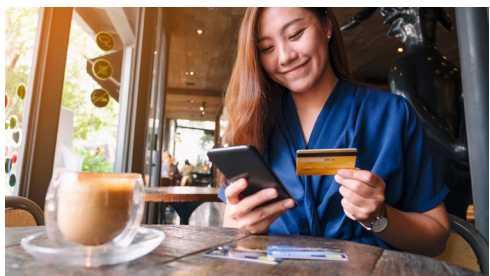
Banking Ranking

What + Why: Sort and rank money tools to see why the most appropriate choice depends on what you're trying to do and how much risk you're willing to take.

You probably use different money tools without thinking much about it—swiping a card, sending money through an app, or hearing about things like crypto online. In this activity, you'll compare places money can be stored and tools used to move it to determine which options make sense in different real-life situations.

Supporting Materials:

Financial Institutions, Tools & Services Comparison (Case Study)



Part 1: Financial Tool Categories

Instructions:

Sort each financial tool into the category you think fits best by writing it in the table.

Traditional Bank Accounts	Mobile Payment Platforms	Digital Asset Platforms

Word Bank

Checking account

Venmo

Cash App

Savings account

PayPal

Bitcoin wallet

Debit card

Zelle

Cryptocurrency account

Part 2: Ranking Scenarios

Instructions:

1. Rank the financial services for each scenario based on which choice makes the most sense. (Rank them with 1 being the most appropriate and 3 being the least appropriate.)

Note: Reference the comparison chart from the previous activity to support your rankings. Your explanation should reference features such as protection, convenience, or risk.

2. Be ready to explain how your rankings changed across situations.

Scenario A: Long-Term Storage

- If you had to store **\$1 million**, which financial service would be the **most appropriate** choice? Which would be the **least**?
 - _____ Traditional Bank Accounts
 - _____ Mobile Payment Platforms
 - _____ Digital Asset Platforms
- What **risk** or **protection** difference influenced your ranking?

Scenario B: Everyday Payment

- If you were paying a friend back for a hamburger, which financial service makes the most sense?
 - _____ Traditional Bank Accounts
 - _____ Mobile Payment Platforms
 - _____ Digital Asset Platforms
- What **risk** or **protection** difference influenced your ranking?

Scenario C: Emergency Situation

- You need to pay for a rideshare home, and your phone is about to die. You need to access your money right away and be sure the payment will go through. Which financial service would you trust most? Least?
 - _____ Traditional Bank Accounts
 - _____ Mobile Payment Platforms
 - _____ Digital Asset Platforms
- What **risk** or **protection** difference influenced your ranking?

Scenario D: Saving for the Future

- You want to keep money safe for the next few years with minimal risk. Which financial service makes the most sense?
 - _____ Traditional Bank Accounts
 - _____ Mobile Payment Platforms
 - _____ Digital Asset Platforms
- What **risk** or **protection** difference influenced your ranking?

NAME: _____

DATE: _____

ACTIVITY

Financially Me: My Purchase Plan

What + Why: This activity helps you think through a big purchase by focusing on financial institutions and financial services, not just the item itself. You'll return to this plan across multiple activities and can update your ideas as you learn more.

Big purchases don't usually happen all at once. They take planning, especially when money needs to be stored, accessed, or borrowed along the way.

Supporting Materials:

Financial Institutions, Tools & Services Comparison (Case Study)

Instructions:

NOTE: There are several parts to this activity you will do across multiple sections. Only complete the checkpoint your teacher assigns.

1. **Choose a big purchase that matters to you.** This can be something you want soon or something you're planning for in the future.
2. **Use what you learn about financial institutions, interest, and financial services to guide your thinking.** You are encouraged to use the Case Study materials—they don't just apply to Jordan! Exact numbers and detailed budgets are not required.
3. **Focus on realistic choices.** There are no "right" purchases. The goal is thoughtful decision-making.
4. **Revisit and revise earlier answers as needed.** Financial planning often changes as new information becomes available.
5. By the end, aim to have explained not just what you would buy, but how your money would be managed to make it possible.

CHECKPOINT 1 — Purchase & Money Snapshot

Start by choosing a big purchase that matters to you and thinking about the role money systems play in making that purchase possible. You do not need exact prices or a detailed plan yet.

1. **What is the big purchase you are planning for?** (Examples: laptop, concert experience, pet adoption, room makeover, travel, college-related costs, etc.)
2. **Why does this purchase matter to you?** (What makes it worth planning for?)
3. **About how much might this purchase cost?** (Estimates are fine—exact numbers are not required.)
 - ☐ Under \$500
 - ☐ \$500–\$1,000
 - ☐ \$1,000–\$2,000
 - ☐ Over \$2,000
4. **Before buying this, what financially-related factors might you need to think about?** (For example: where your money would be kept, how you would access it, or what financial services might be involved.)
5. **What questions do you already have about paying for this purchase?** (You do not need to answer these yet.)



This is the end of Checkpoint 1. Wait to begin Checkpoint 2 until directed by your teacher.

CHECKPOINT 2 — Financial Institutions & Services

Build onto your plan by exploring how money could be stored, borrowed, or paid over time using different financial institutions and services. Start thinking about how you might realistically manage the money needed for your purchase.

6. Which financial institutions or financial tools could realistically be involved in this purchase?

(Check at least two.)

☐ Traditional bank

☐ Credit union

☐ Online bank

☐ Mobile payment platform

☐ Other: _____

7. For each option you selected, explain one reason it could work.

Option 1: _____

Why it could work:

Option 2: _____

Why it could work:

8. Where would money most likely be stored while preparing for this purchase? (Checking, savings, or another option—explain briefly.)

9. Would borrowing potentially be part of this plan?

☐ Yes

☐ No

☐ Unsure

If yes or unsure:

- a. What type of loan might someone use for this kind of purchase?
- b. What are typical interest rates for that type of loan, and how long would the loan last? (estimate, do some research locally, or ask around)
- c. How much extra in interest would you end up paying for the loan?
- d. Is there anything about your situation that may impact the interest rate from what's typical?

10. Would you consider using an alternative financial service (such as payday loans, rent-to-own, or check-cashing)?

☐ Yes

☐ No

Explain your reasoning. If yes, what are the risks? If no, why not?



This is the end of Checkpoint 2. Wait to begin Checkpoint 3 until directed by your teacher.

CHECKPOINT 3 — Trade-Offs, Risk, and Impact

Strengthen your purchase plan by thinking through trade-offs, risks, and how your choices could affect you later. The goal of this checkpoint is to show that you understand how financial decisions involve balancing convenience, cost, access, and protection, and how those choices can influence your future financial situation.

11. Identify one trade-off you might face.

(Examples: waiting longer vs. borrowing sooner, convenience vs. cost, access vs. protection.)

12. Identify one possible risk connected to your choice of financial tools or services.

(Examples: fees, interest costs, limited access, account protections.)

13. Is there anything going on with the economy, like inflation or demand for loans, that could make interest rates or the price change?

14. How could this financial decision affect you later?

(Think beyond the moment of purchase.)



This is the end of Checkpoint 3. Wait to begin Checkpoint 4 until directed by your teacher.

CHECKPOINT 4 — Final Decision Reflection

Synthesize your ideas and reflect on your overall plan. In this final checkpoint, bring together everything you've developed in the previous checkpoints and clearly explain how you would manage your money to make this purchase possible.

15. Based on everything you've considered, explain how you would manage your money for this purchase.

(Include financial institutions or services you would use and why.)

16. Explain why this approach makes sense for you in the long term.

(Reference trade-offs, cost, access, or protection.)

Submission:

Turn in your entire Financially Me: My Purchase Plan to your teacher once you have finalized your work in Checkpoints 1, 2, 3, and 4.

NAME: _____

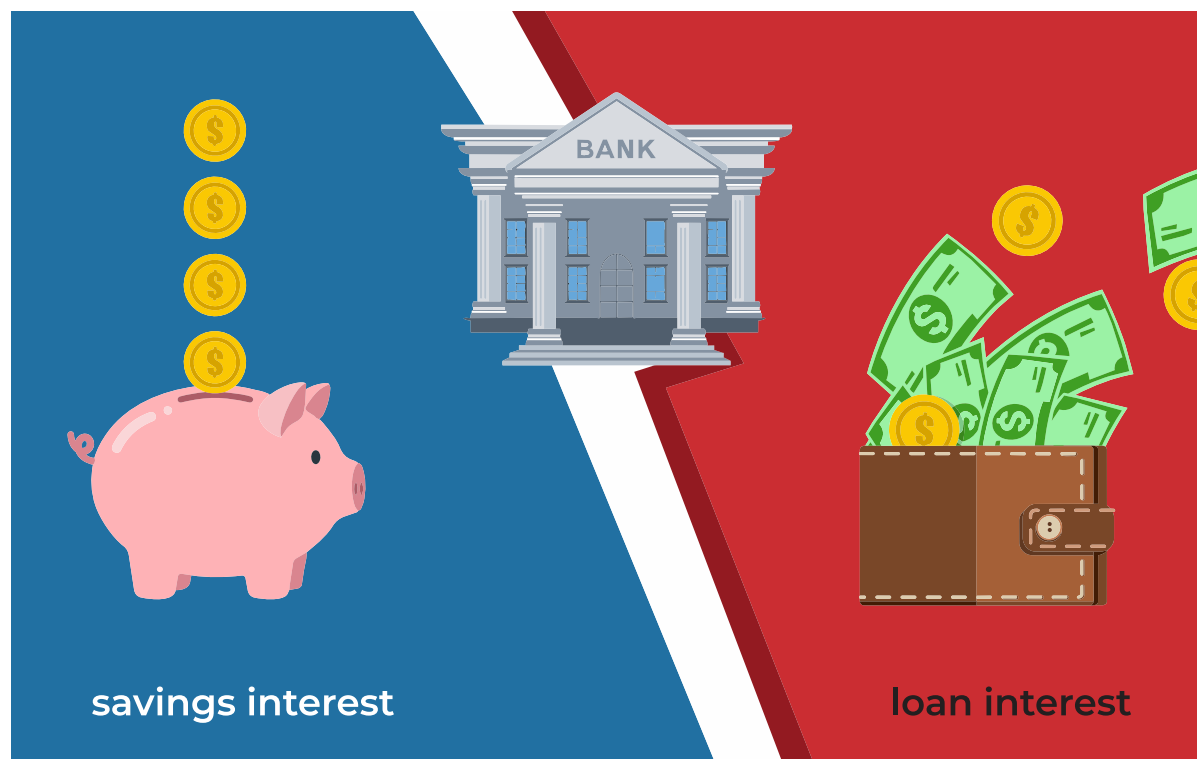
DATE: _____

VIDEO

The Price of Borrowing

What + Why: You'll explore why banks pay interest on savings and charge interest on loans so you can better understand how borrowing and saving decisions affect cost.

In a world where money is constantly moving, interest is everywhere. You can earn it. And you can pay it. Sometimes it feels like a reward. Sometimes it feels like a cost. But it always plays by the same rules. Behind every dollar earned (and every dollar owed) there's a system deciding who pays and who gets paid. And at the center of it all is a business.

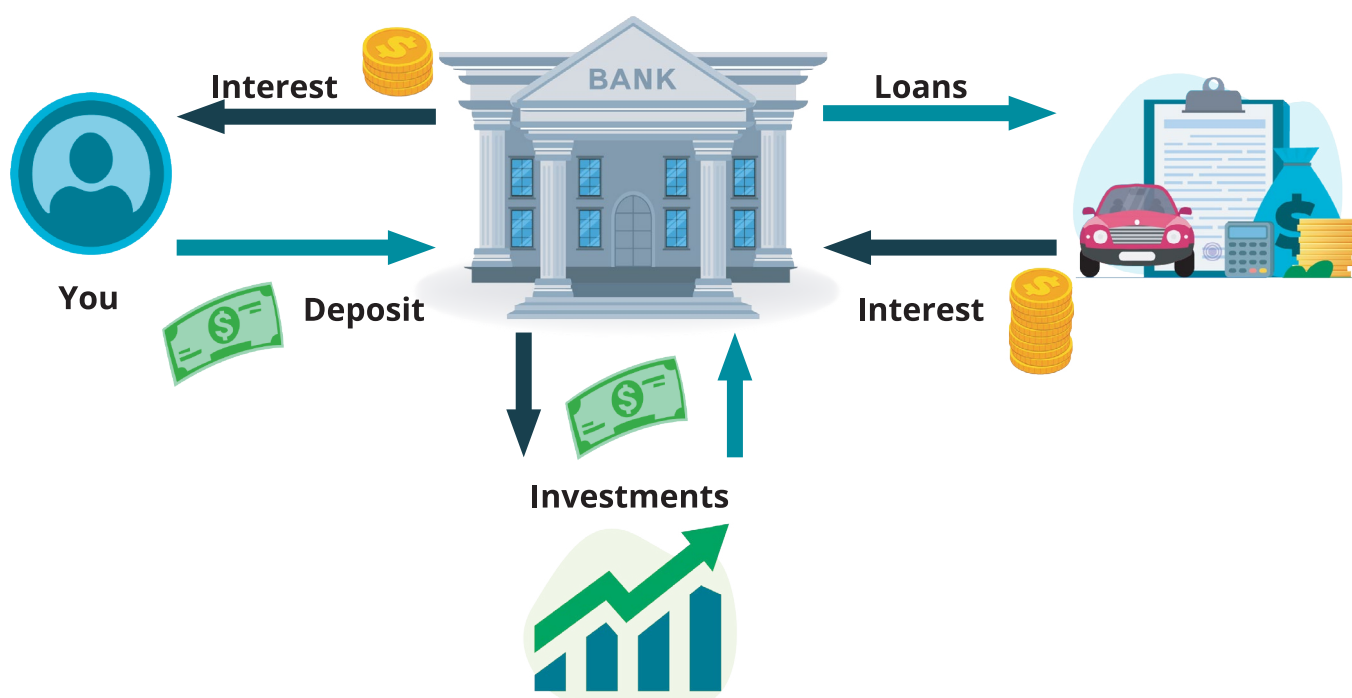


So how does interest really work from both sides? Let's start with this side of the story: savings interest. Have you ever wondered why banks pay you interest? Aren't they losing money? When you deposit money into a savings account, the bank doesn't just lock it in a vault. You're actually loaning it to the bank.

What does the bank do with that money?

- They loan it to other people.
- They invest it.
- They put it to work.

Paying you interest is how banks convince people to leave money there. The more money people deposit, the more money the bank has to work with. And more money to work with means more chances to earn income. Think of it like this. You're loaning the bank your money. And interest is what the bank pays you for that loan.



Banks also compete with each other. They offer different savings accounts with different interest rates. High enough to attract customers, but not so high that the bank won't make a profit. (It is a business after all.)

Question 1

If a bank is a business that must make a profit, why do they pay interest on savings accounts?

- ☐ a. Banks want to help people make money.
- ☐ b. Banks incentivize people to deposit money so they can get a financial advantage.
- ☐ c. Banks are required by federal law to pay interest.
- ☐ d. Banks have unlimited money.

Answer: b. Banks pay interest to encourage people to deposit money. Those deposits give the bank funds to loan to others and invest. And if they earn more than they pay out, banks make a profit.

Why do banks charge interest when people take out loans?

When someone borrows money from a bank, they're using the bank's money. And that money didn't appear out of nowhere. It came from depositors, people who put their savings into the bank, or from their hard-earned investments. The bank is responsible for that money and wants to keep it safe.

When financial institutions loan it to you, they're taking on risk.

- What if you don't repay?
- What if you're late?
- What if something goes wrong?

Loan interest is the price of borrowing money. It covers risk. It covers operating costs. And it helps banks make a profit. They charge more interest on loans than they pay on savings.

So there's more money coming in than going out. That's how they stay in business.

Question 2

Why do banks charge interest on loans?

- ☐ a. To punish people for borrowing money.
- ☐ b. To make loans harder to pay.
- ☐ c. To cover risk, operating costs, and earn a profit.
- ☐ d. To match the interest they pay on savings accounts.

Answer: c. Interest is the price of borrowing money. It helps cover the risk of providing loans, operating costs, and allows the bank to earn more than it pays out.

Question 3

A bank wants to grow its business and increase the amount of money it invests. To do that, the bank needs more funds available to invest. What should the bank do?

- ☐ a. Increase deposits into the bank.
- ☐ b. Stop providing high-interest accounts.
- ☐ c. Increase the number of loans the bank provides.
- ☐ d. Take out loans to fund additional investments.

Answer: a. Banks need deposits to have money available to loan to others and invest. More deposits mean more funds the bank can put to work.

Think about this scenario.

Bryan deposits money into a savings account earning 2% interest. The bank loans that money to someone else and charges 7% interest. Which explanation describes how the bank earns money in this situation?

- ☐ a. The bank receives government funding for every loan.
- ☐ b. The bank earns money only from monthly account fees.
- ☐ c. The bank keeps the difference between the loan interest and the savings interest.
- ☐ d. The bank does not earn money when it pays interest.

Answer: c. Banks earn profit by charging more interest on loans than they pay on savings.

Key Terms

- **financial aid:** any money given or loaned to students to help them pay for college
- **deposit:** to put money into a bank account for safekeeping
- **profit:** the amount of money left after all business expenses have been paid
- **savings account:** an account that usually earns interest and is often used to hold money that is not needed right away
- **loan:** money borrowed that must be repaid, usually with interest
- **risk:** the probability of making a profit or losing money on an investment
- **interest:** a fee received or paid for the use of money
- **interest rate:** the price paid, expressed as a percentage, for using someone else's money to spend, produce, or invest now, using credit

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ACTIVITY

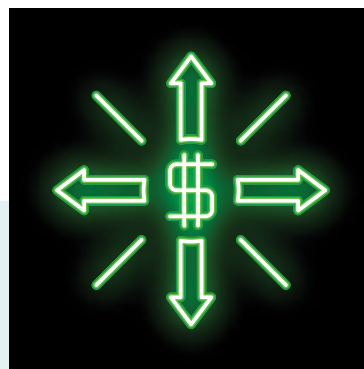
Money Flow

What + Why: Draw a model of how money moves through financial institutions to understand where interest comes from and how banks earn money.

When you put money into a bank account, that money doesn't just stay in one place. It becomes part of a system that helps other people borrow money, and that system affects how interest works.

Supporting Materials:

Paper and markers

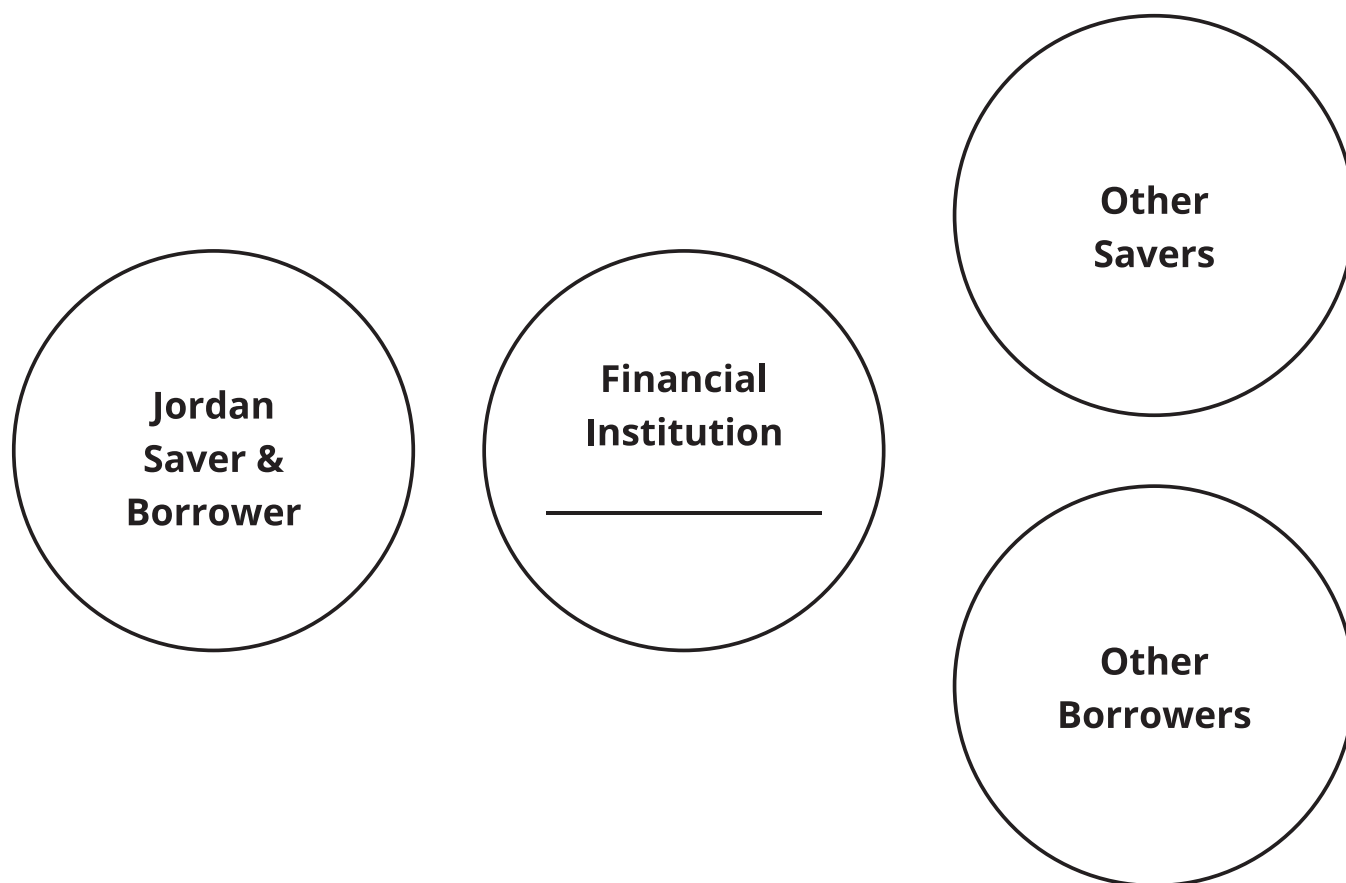


Instructions: For the purposes of this activity only, assume Jordan decides to take out a loan to help pay for the car. This example will help you show how the financial system works as a whole.

1. Create a **simple visual model** for the flow of money that shows:
 - A specific financial institution (choose a traditional bank, online bank, or a credit union).
 - How Jordan deposits money to save for a down payment.
 - How the chosen financial institution uses Jordan's deposits to support loans to other borrowers.
 - How interest is paid to savers and charged to borrowers (including Jordan's future loan).

2. Your diagram should illustrate how money flows through the system and how financial institutions earn money by managing deposits and loans. Label any arrows or items in your diagram with accurate vocabulary and key terms.

Note: You may use the sample diagram below to get you started, or you can get creative and design a unique money flow that still addresses the requirements above.



NAME: _____

DATE: _____

ACTIVITY

Interest Scenario Comparison

What + Why: Compare two loan scenarios to see how interest affects the total amount paid back and why borrowing choices matter.

Instructions:

1. Review the two loan scenarios provided.
2. Identify how much money is borrowed and how much is paid back in each case.
3. Compare the total repayment amounts.
4. Answer the reflection questions.

Scenario 1

Lina is 22 and recently moved into an apartment. After a few months, Lina realizes she needs several things at once: a couch, a new bed, a bed frame, and some basic kitchen items. Instead of putting everything on a credit card, Lina decides to take out a personal loan from her long-time bank for \$9,000 to cover the purchases (and anything else Lina may need) and pay it off steadily.

Lina has been using the same bank since high school. Her paycheck is deposited there automatically every two weeks. Lina keeps money in both checking and savings, and checks balances regularly. Last year, Lina borrowed a small amount to replace her phone and paid it off early.

After reviewing Lina's application, the bank offers this loan:

- Loan Amount: \$9,000
- Loan Term: 3 years (36 months)
- Interest Rate: 6.1% Annual Percentage Rate (APR)
- Monthly Payment: \$274
- **Total Amount Repaid: \$9,864**

Scenario 2

Ollie is 23 and works freelance jobs that change month to month. A few unexpected expenses hit at once, and Ollie needs \$9,000 quickly to stay afloat.

Ollie applies for a loan through an online lender after seeing an ad promising “fast approval.” Ollie recently switched banks and doesn’t have a savings account yet. Ollie has not borrowed money before and has limited credit history.

Ollie is approved for a loan with these terms:

- Loan Amount: \$9,000
- Loan Term: 3 years (36 months)
- Interest Rate: 21.3% Annual Percentage Rate (APR)
- Monthly Payment: \$345
- **Total Amount Repaid: \$12,420**

Reflection Questions

1. How much did Lina and Ollie each pay in interest?
2. What details in each person’s situation may have influenced the interest rate they were offered? Use evidence from the scenarios.
3. Even if Lina and Ollie had identical financial histories, what broader economic conditions could still influence the interest rates they are offered?
4. How might the same economic conditions that influence loan interest rates also affect the interest banks offer on savings accounts?

NAME: _____

DATE: _____

ACTIVITY

Alternative Financial Services

What + Why: Analyze real-world financial scenarios to compare short-term benefits with long-term costs and risks.

People use different financial services depending on their situation. This activity looks at several options people use outside of banks and credit unions and compares what those choices really cost over time.

Instructions:

1. Read each scenario with your group.
2. Answer the questions provided.

Scenario 1: Rent-to-Own

A gaming system costs **\$500** if bought upfront.

A rent-to-own store offers the same system with:

- Weekly payments of **\$25**
- Payments for **52 weeks**
- No credit check

Questions

Write your answer for each question.

1. What is the total cost if bought upfront?

2. What is the total amount paid through rent-to-own?

3. What is the benefit of the rent-to-own option?
4. What is the long-term cost or risk?

Scenario 2: Payday Loan

A person needs **\$300** to cover expenses until their next paycheck.

A payday lender offers:

- **\$300 today**
- Repayment of **\$360** in two weeks

Questions:

Write your answer for each question.

1. How much extra money must be repaid?
2. What problem does this loan solve in the short term?
3. What risk appears if the loan cannot be repaid on time?
4. What might happen if this situation repeats?

Scenario 3: Check-Cashing Service

A worker receives a paycheck for **\$900**.

Options:

- Deposit it into a bank account
- Use a check-cashing service that charges a **3% fee**

Questions:

Write your answer for each question.

1. How much money is lost to the fee?
2. Why might someone choose the check-cashing service option?
3. What happens if this fee is paid every paycheck

NAME: _____

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ACTIVITY

Car-Buying Financials

What + Why: Help Jordan compare financial institutions by using evidence from a table to explain where to store money and to access it.

Present Your Findings

Each group will now put their thoughts together about Jordan's situation and their work from the **Finding the Right Financial Fit** activity, then present their findings.

Supporting Question 1

Which type of financial institution should Jordan use to save money and possibly finance a car, and why?

Supporting Materials:

Unit 2 Case Study: Transportation Situation (Case Brief)

Financial Institutions, Tools & Services Comparison (Case Study)

Finding the Right Financial Fit (previously completed)

Car-Buying Financials Rubric

Instructions:

1. Work with your group to review the **Financial Institutions, Tools & Services Comparison** case study chart.
2. Decide which financial institution or tool (or combination) makes the most financial sense for Jordan right now.
3. Use evidence from the chart to support your thinking.
4. Prepare to share your reasoning clearly and briefly with the class.

Presentation Requirements

- Your recommended option(s) for Jordan
- Evidence from the **Financial Institutions, Tools & Services Comparison** case study chart:
 - Include at least one point about services or fees
 - Include at least one point about access, protection, or risk
 - Include at least one trade-off you noticed (What does Jordan gain with this choice? What does Jordan give up?)

Car-Buying Financials Rubric

Criteria	4 - Strong	3 - Proficient	2- Developing	1- Beginning
Recommendation of Financial Option(s)	Clearly recommends a well-justified financial institution/ tool (or combination) that strongly fits Jordan's situation	Recommends a reasonable financial option that generally fits Jordan's situation	Recommendation is somewhat unclear or only partially fits Jordan's situation	Recommendation is unclear, missing, or does not fit the situation
Use of Evidence (Services & Fees)	Uses specific, accurate evidence from the chart about services and fees to strongly support reasoning	Uses relevant evidence from the chart about services or fees to support reasoning	Uses limited, vague, or partially accurate evidence	Little to no evidence from the chart is used
Use of Evidence (Access, Protection, Risk)	Clearly explains access, protection, and/or risk with strong, accurate connections to the recommendation	Explains access, protection, or risk with generally accurate connections	Mentions access, protection, or risk but with limited explanation or accuracy	Does not address access, protection, or risk
Trade-Off Reasoning	Clearly explains both what Jordan gains and gives up, showing strong understanding of trade-offs	Explains a trade-off with some clarity (gain or give up)	Mentions a trade-off but explanation is unclear or incomplete	Trade-off is missing or incorrect
Clarity of Explanation / Presentation	Explanation is clear, logical, and easy to follow; reasoning is well-articulated	Explanation is mostly clear and understandable	Explanation is somewhat unclear or lacks organization	Explanation is unclear or difficult to follow

NAME: _____

DATE: _____

REFLECTION

Saving vs. Borrowing

What + Why: Reflect on how different financial institutions and services fit different situations and why that matters for your money.

Some financial institutions are designed for everyday money management, like planning, spending, and saving. Other financial services are often used when something unexpected happens. Choosing the right institution, tool, or service—and knowing when to use it—can change how much money you keep or lose.

Reflect

1. For everyday money management, it makes more sense to use financial institutions such as banks or credit unions because . . .
2. Using traditional financial institutions or saving earlier can be safer because . . .
3. In emergencies, people sometimes turn to alternative financial services such as payday loans, check-cashing services, or rent-to-own because . . .
4. Borrowing from these types of services or at the last minute can cost more over time because . . .

NAME: _____

DATE: _____

POST-QUIZ

Financial Institutions & Services

What + Why: You made it to the end of the topic! This quick, ungraded quiz shows how your thinking has grown since the pre-quiz.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
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-
1. Credit unions may offer higher interest rates on savings accounts because they _____.
 - ☐ a. are member-owned, not-for-profit financial institutions
 - ☐ b. are insured by a different federal program than banks
 - ☐ c. are allowed to take larger investment risks than banks
 - ☐ d. are required by law to offer higher interest rates
 2. When demand for loans increases, interest rates typically _____.
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3. Dexter keeps all of his money in a mobile payment app rather than a bank account. Which **risk** is most likely?
- ☐ a. The funds may not be protected by deposit insurance if the platform fails.
 - ☐ b. The funds could lose value due to market fluctuations.
 - ☐ c. The account cannot be accessed using a mobile device.
 - ☐ d. The user will be charged interest for keeping money in the account.
4. Linsee receives a paper paycheck and cashes it at a check-cashing service instead of using a bank account. What is a common drawback of this choice?
- ☐ a. The service usually charges a fee to cash the check.
 - ☐ b. The service often requires a long-term savings contract.
 - ☐ c. The service automatically deposits the money into a bank account.
 - ☐ d. The service prevents the user from accessing the money immediately.

