

NAME: _____

DATE: _____

PRE-QUIZ

Credit Scores & Credit Reports

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.
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1. How does a higher credit score typically affect the cost of borrowing?
 - a. A higher credit score improves chances of loan approval.
 - b. A higher credit score lowers interest rates and may improve loan terms.
 - c. A higher credit score increases required monthly payments.
 - d. A higher credit score eliminates the need for a down payment.
 2. Which action most helps build a strong credit history?
 - a. paying bills on time consistently
 - b. using most of a credit limit regularly, even while making payments
 - c. applying for many credit cards
 - d. borrowing large amounts frequently

3. Why are consumer protection laws important?
 - a. They remove financial risk.
 - b. They help correct errors and protect consumers from fraud.
 - c. They eliminate the need for credit reports.
 - d. They allow banks to control credit scores.

4. If you believe you are a victim of fraud, what should you do?
 - a. Wait to see if it fixes itself.
 - b. Report the issue immediately to financial institutions and authorities.
 - c. Ignore small suspicious charges.
 - d. Monitor the account for a few weeks before deciding whether to report it.