6TH GRADE FINANCIAL LITERACY PRACTICE TEST (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. A four-year degree awarded by a college or university is called a ...

A. Associate's Degree

B. Bachelor's Degree

C. Doctorate

D. Diploma

2. What is the penalty fee charged when your account balance drops below zero?

A. Deposit

B. Balance

C. Withdrawal

D. Overdraft Fee

3. Which of the following statements best describes a loan?

A. A loan is a gift that does not need to be repaid.

B. Borrowing money without any agreement.

C. A loan is money you borrow that must be paid back, usually with interest.

D. A loan is an investment that grows automatically.

4. What is a financial goal?

A. A budget plan for spending all money now

B. A specific target for saving or earning within a certain time frame

C. A loan you plan to take

D. A type of savings account

5. What term means money owed?

A. Wages

B. Expense

C. Debt

D. Credit

6. What is the fee charged by a bank for maintaining a checking account called?

A. Interest

B. Bank

C. Salary

D. Service Charge

7. What is a goal in personal finance?

A. A list of expenses

B. An interest rate on a loan

C. A target amount you want to save or a financial milestone you plan to reach (like buying a bike)

D. A bank's policy

8. Which of the following is a typical fixed expense?

A. A monthly subscription service.

B. Groceries every week.

C. Gas for the car.

D. Weekend entertainment.

9. What happens when price increases?

A. Demand will always increase

B. Demand will never change

C. Demand will definitely fall to zero

D. Demand may fall as people buy less or switch to substitutes

10. What is barter?

A. Trading goods or services directly without using money

B. Using money to buy goods

C. Investing in stocks

D. Earning interest on savings

Answers

1. B
2. D
3. C
4. B
5. C
6. D
7. C
8. A
9. D
10. A

Explanations

1. A four-year degree awarded by a college or university is called a ...

A. Associate's Degree

B. Bachelor's Degree

C. Doctorate

D. Diploma

A four-year study at a college or university leads to a bachelor's degree. This is an undergraduate credential earned after about four years of coursework, including general education and a chosen major. It sits between the two-year associate degree and the higher-level doctorates; a diploma is typically a certificate or non-degree credential, while a doctorate requires additional study and often research beyond a bachelor's.

2. What is the penalty fee charged when your account balance drops below zero?

A. Deposit

B. Balance

C. Withdrawal

D. Overdraft Fee

When your balance goes below zero, the bank may apply an overdraft fee—the charge you pay for spending more money than you have in your account. This fee is the penalty tied to overdrawing, a service the bank provides when it covers the shortfall. A deposit is simply adding money to your account, which would raise your balance. A withdrawal is taking money out, an action that can lead to overdrawing but isn't the fee itself. A balance is just how much money you currently have. Some accounts offer overdraft protection or can decline transactions to avoid the fee, but the overdraft fee is the specific charge for overdrawing.

3. Which of the following statements best describes a loan?

A. A loan is a gift that does not need to be repaid.

B. Borrowing money without any agreement.

C. A loan is money you borrow that must be paid back, usually with interest.

D. A loan is an investment that grows automatically.

A loan is when you receive money now and promise to pay it back later, usually with extra money called interest. The amount you borrow is the principal, and the interest is the cost of borrowing. The total you repay equals the principal plus the interest, and you repay it according to an agreed schedule or contract that lists the due dates and the terms. This setup explains why a loan is about paying back money you borrowed, not a gift or an automatic increase in value. It's not just money you borrow without an agreement, and it's not an investment that grows on its own. For a simple example, borrowing $100 at 5% interest would lead to $105 owed if you kept the loan for a year without making payments along the way.

4. What is a financial goal?

A. A budget plan for spending all money now

B. A specific target for saving or earning within a certain time frame

C. A loan you plan to take

D. A type of savings account

A financial goal is a specific target for saving or earning money within a certain time frame. This kind of goal is concrete and time-bound, so you know exactly how much to save and by when you want to reach it. It helps guide your spending decisions and gives you a way to measure your progress toward that target. The other ideas describe money-management tools or items (like planning how you spend money now, borrowing money, or where you store money), but they aren't the end target themselves. For example, aiming to save a specific amount by a specific date—in this case, saving $500 by the end of three months—illustrates a financial goal.

5. What term means money owed?

A. Wages

B. Expense

C. Debt

D. Credit

The main idea here is naming money you owe to someone else. When you borrow money or owe payments, that amount is called debt. It's the exact word for what you owe. Wages are money you earn for working, not what you owe. An expense is money you spend to buy something or a cost you must pay, which is money going out, not the amount you owe. Credit can mean the ability to borrow or the balance on a charge account, but it isn't the word for money you owe itself. Debt best fits the idea of money that is owed.

6. What is the fee charged by a bank for maintaining a checking account called?

A. Interest

B. Bank

C. Salary

D. Service Charge

The main idea here is understanding what banks charge simply for keeping a checking account open and ready to use. That ongoing fee covers the costs of services you receive—like processing checks, maintaining your account records, handling online banking, and giving you statements. This is called a service charge (often referred to as a monthly maintenance fee). It's not interest, which is money the bank might pay you for keeping a balance, and it's not salary, which is pay you earn from work. The bank itself is the institution charging the fee, not the fee type. So the best term for this cost is service charge. Some accounts waive the fee if you meet conditions like maintaining a minimum balance or receiving direct deposits.

7. What is a goal in personal finance?

A. A list of expenses

B. An interest rate on a loan

C. A target amount you want to save or a financial milestone you plan to reach (like buying a bike)

D. A bank's policy

Setting a goal gives you a target to save toward and a plan for your money. When you pick a specific target, like saving a certain amount to buy a bike by a certain date, you know exactly how much to save each week and what spending to cut. You can track progress and stay motivated as you move toward that milestone. A list of expenses helps you see where your money goes, but it doesn't set a finish line. An interest rate on a loan is a borrowing cost, not something you aim to achieve with your savings. A bank's policy is a rule from the bank, not something you personally are trying to reach.

8. Which of the following is a typical fixed expense?

A. A monthly subscription service.

B. Groceries every week.

C. Gas for the car.

D. Weekend entertainment.

Fixed expenses are regular, predictable bills that stay the same most months. A monthly subscription service fits this because the charge is usually the same each month, regardless of how much you use it. In contrast, groceries vary week to week depending on what you buy, gas changes with how far you drive and fuel prices, and weekend entertainment can differ based on plans. So those are variable expenses. Knowing this helps you plan your budget because fixed costs are the steady part you can count on, while variable costs can change month to month.

9. What happens when price increases?

A. Demand will always increase

B. Demand will never change

C. Demand will definitely fall to zero

D. Demand may fall as people buy less or switch to substitutes

When price goes up, people tend to buy less of that good or switch to a cheaper substitute. This happens because of the substitution effect (you choose a cheaper option) and the income effect (the higher price makes you feel poorer and you tighten spending). So the quantity demanded decreases as price rises, which is why the statement that demand may fall as people buy less or switch to substitutes fits best. Remember, a price increase doesn't usually shift the entire demand curve by itself; it moves along the curve to a smaller quantity. The other options don't fit because price increases don't cause demand to rise, stay unchanged, or drop all the way to zero in normal situations.

10. What is barter?

A. Trading goods or services directly without using money

B. Using money to buy goods

C. Investing in stocks

D. Earning interest on savings

Barter means trading goods or services directly without money. In a barter, you swap something you have for something you want from someone else, like trading a bicycle for a skateboard or offering a service in exchange for help with a task. This works best when both people want what the other has, which is why it's called a double coincidence of wants. Barter has been common in small communities or when money isn't available, but it can be inefficient because it can be hard to find someone who wants exactly what you have and can offer something you want in return. The other options describe using money, investing, or earning interest, which don't involve exchanging goods or services directly without money.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://6thgradefinancialliteracy.examzify.com

We wish you the very best on your exam journey. You've got this!