

University of Central Florida (UCF) GEB3006 Intro to Career Development and Financial Plannings Final Practice Exam 3 (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. Which is a pro of being fired from a job?**
 - A. Increased networking opportunities**
 - B. Severance pay**
 - C. Unemployment benefits**
 - D. Higher job satisfaction**
- 2. Which of the following is NOT typically a strategy for managing credit card debt?**
 - A. Making only minimum payments**
 - B. Consolidating debt**
 - C. Paying off high interest cards first**
 - D. Using credit wisely**
- 3. What type of annuity is recommended for calculating withdrawals from a 401-K to account for inflation?**
 - A. Fixed annuity**
 - B. Growing annuity**
 - C. Variable annuity**
 - D. Immediate annuity**
- 4. What is a common consequence of defaulting on a loan?**
 - A. Improved credit score**
 - B. Legal action from creditors**
 - C. Increased loan amount**
 - D. Lower interest rates**
- 5. Why is it important to shop for car loans before visiting a dealership?**
 - A. Manufacturers offer better rates**
 - B. Dealers may manipulate loan rates**
 - C. Only cash offers are accepted**
 - D. It is illegal to finance at a dealership**

- 6. True or False: The total debt ratio for FHA loans should not exceed 43%.**
- A. True**
 - B. False**
 - C. It depends on credit score**
 - D. Only for first-time buyers**
- 7. Which of the following is NOT a type of interest rate mentioned?**
- A. Savings bonds**
 - B. Credit card rates**
 - C. Money market rates**
 - D. Bank rates**
- 8. The returns on Real Estate Investment Trusts (REITs) are in the same range of returns as ____.**
- A. Bonds**
 - B. Stocks**
 - C. Commodities**
 - D. Private equity**
- 9. The total return on a stock consists of which two components?**
- A. Capital gain yield and interest income**
 - B. Dividend yield and capital gain yield**
 - C. Market value increase and rent income**
 - D. Dividend income and market value increase**
- 10. To qualify for a \$400,000 mortgage, one must earn approximately how much per year?**
- A. \$140,000**
 - B. \$160,000**
 - C. \$200,000**
 - D. \$220,000**

Answers

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

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Explanations

1. Which is a pro of being fired from a job?

- A. Increased networking opportunities**
- B. Severance pay**
- C. Unemployment benefits**
- D. Higher job satisfaction**

Choosing to highlight unemployment benefits as a pro of being fired from a job provides insight into how individuals can manage their financial stability following unexpected job loss. Receiving unemployment benefits can offer temporary financial support, allowing individuals time to search for new employment without the immediate pressure of financial hardship. This advantage can be crucial in helping individuals maintain their living standards while they re-evaluate their career paths and seek out new job opportunities. Networking opportunities, severance pay, and increased job satisfaction may have their own merits in specific contexts; however, they do not universally apply in the aftermath of being fired. For example, not all companies offer severance pay, and networking opportunities may vary significantly based on an individual's circumstances and how their employment ended. Meanwhile, it's rare for someone to experience higher job satisfaction after losing a job, which is usually seen as a stressful event. This makes unemployment benefits a clear advantage in such situations, as they create a financial cushion during a challenging transitional period.

2. Which of the following is NOT typically a strategy for managing credit card debt?

- A. Making only minimum payments**
- B. Consolidating debt**
- C. Paying off high interest cards first**
- D. Using credit wisely**

Making only minimum payments is not a recommended strategy for managing credit card debt because it often results in prolonged debt and increased interest payments over time. When individuals choose to make only the minimum payments, they may think they are in control of their finances; however, this approach can lead to a cycle of debt that is difficult to break. Minimum payments usually cover only a small portion of the principal balance and the accrued interest, meaning the total amount owed can take much longer to pay off. In contrast, consolidating debt can simplify payments and potentially reduce interest rates, paying off high-interest cards first allows borrowers to minimize the amount spent on interest over time, and using credit wisely encourages responsible spending and debt management, helping to prevent the accumulation of debt in the first place. These strategies are generally more effective for managing and reducing credit card debt.

3. What type of annuity is recommended for calculating withdrawals from a 401-K to account for inflation?

- A. Fixed annuity**
- B. Growing annuity**
- C. Variable annuity**
- D. Immediate annuity**

A growing annuity is the correct choice for calculating withdrawals from a 401(k) to account for inflation because it is designed to provide payments that increase over time. This feature is particularly valuable in a retirement context, where the cost of living may rise due to inflation. When planning for retirement, it is important to ensure that the purchasing power of retirement savings does not diminish over time. A growing annuity delivers a series of payments that grow at a specified rate, allowing retirees to maintain their standard of living as prices increase. This means that not only will the withdrawals keep pace with inflation, but they will also provide the retiree with the ability to adapt their spending as necessary. In contrast, fixed annuities provide a set payment amount that does not change, which could lose value in real terms if inflation rises. Variable annuities depend on the performance of underlying investments and can indeed lead to fluctuating income, but they do not inherently provide a guaranteed increase for inflation. Immediate annuities start payments immediately but, similar to fixed annuities, do not account for inflation unless specifically designed to do so. Thus, a growing annuity stands out as the best option for those looking to ensure their withdrawals from a 401(k)

4. What is a common consequence of defaulting on a loan?

- A. Improved credit score**
- B. Legal action from creditors**
- C. Increased loan amount**
- D. Lower interest rates**

Defaulting on a loan typically leads to legal action from creditors, making this choice the most accurate representation of a common consequence. When a borrower fails to meet the repayment terms of a loan, creditors may attempt to recover the owed amount through various means, which can include lawsuits, wage garnishments, or placing liens on property. This legal action is a serious repercussion designed to protect the lender's financial interests. The other choices do not align with the effects of defaulting on a loan. For instance, an improved credit score is unlikely following a default; instead, a default negatively impacts credit ratings, causing scores to drop. Additionally, the loan amount does not automatically increase due to default; typically, the borrower is still responsible for paying back the original amount borrowed. Lastly, lower interest rates would not be a consequence of defaulting, as such an event typically leads to higher risk assessments from lenders, which may result in increased rates for future borrowing.

5. Why is it important to shop for car loans before visiting a dealership?

A. Manufacturers offer better rates

B. Dealers may manipulate loan rates

C. Only cash offers are accepted

D. It is illegal to finance at a dealership

Shopping for car loans before visiting a dealership is important because dealers may manipulate loan rates. When you compare loan options from various lenders, you gain a clear understanding of the interest rates and terms available in the market. This knowledge empowers you to negotiate effectively with the dealership and helps you identify whether the financing options they offer are competitive. Dealers often have the ability to mark up interest rates, which can significantly increase the overall cost of the loan over time. By having pre-approved financing from banks or credit unions, you can hold dealers accountable and ensure that you secure the best possible deal for your situation. This practice not only protects you from potential overpricing but also gives you a valuable reference point during negotiations. However, it's important to be aware that some choices in the question may mislead consumers regarding car financing. For instance, manufacturers do not generally dictate loan rates directly unless they are running special promotional financing offers. Financing at a dealership is not illegal, and many people successfully go through dealerships for financing options, but being informed and vigilant about rates is crucial in making the best financial decision.

6. True or False: The total debt ratio for FHA loans should not exceed 43%.

A. True

B. False

C. It depends on credit score

D. Only for first-time buyers

The statement is accurate because the Federal Housing Administration (FHA) loans have specific guidelines regarding borrower qualifications, including the total debt ratio, often referred to as the debt-to-income (DTI) ratio. The standard guideline is that a borrower's total DTI ratio should not exceed 43%, which means that the total of all monthly debt payments should not exceed 43% of the borrower's gross monthly income. This threshold is crucial as it helps lenders assess the borrower's ability to manage monthly payments effectively while ensuring that the loan remains within sensible limits for risk management. While there may be exceptions or flexibility in certain situations, particularly for borrowers with strong compensating factors such as a higher credit score, the 43% guideline serves as a benchmark used by most lenders to evaluate the affordability of the loan for the borrower. Thus, the assertion that the total debt ratio for FHA loans should not exceed 43% is indeed true and aligns with FHA lending practices.

7. Which of the following is NOT a type of interest rate mentioned?

- A. Savings bonds**
- B. Credit card rates**
- C. Money market rates**
- D. Bank rates**

The choice indicated as the answer pertains to the types of interest rates that are commonly referenced in financial discussions. Savings bonds, money market rates, and bank rates are all established financial instruments or products that readily denote specific forms of interest rates offered by financial institutions or government entities. Savings bonds typically refer to government-issued securities where the interest rate is fixed and provides a return to the bondholder at maturity. Money market rates describe the interest rates related to short-term borrowing and lending in the money market, where participants can buy and sell financial instruments. Bank rates refer generally to the interest rates set by central banks, reflecting the costs associated with borrowing as well as influencing other types of financial products offered by banks. In contrast, credit card rates, while certainly prevalent in discussions on personal finance, do not fit the same mold as traditional interest rates. They refer to the interest charged on balances carried over from month to month on a credit card, and while it represents a form of interest, it is a specific application rather than a generic classification of interest rate types like the others listed. Therefore, identifying credit card rates as not fitting the classic definitions of interest rate types makes it the correct answer in this context.

8. The returns on Real Estate Investment Trusts (REITs) are in the same range of returns as ____.

- A. Bonds**
- B. Stocks**
- C. Commodities**
- D. Private equity**

The returns on Real Estate Investment Trusts (REITs) are indeed comparable to those of stocks. REITs are designed to provide a return to investors that is similar to what can be expected from stock investments due to their nature of being traded on major stock exchanges and their requirement to distribute a significant portion of their income as dividends. Like stocks, REITs can experience capital appreciation depending on the performance of the real estate market and properties they own. Both asset classes are influenced by market conditions, economic cycles, and investor sentiment, thus showing similar risk and return profiles. In contrast, other asset classes such as bonds typically offer lower returns than stocks and REITs, as they are generally considered safer investments. Commodities tend to have different risk factors and do not align closely in return expectations with REITs. Private equity investments usually require longer holding periods and may not be liquid like REITs and stocks, leading to varying return expectations that are not as directly comparable. Hence, the alignment of REIT returns with stock returns makes this option the most accurate choice.

9. The total return on a stock consists of which two components?

A. Capital gain yield and interest income

B. Dividend yield and capital gain yield

C. Market value increase and rent income

D. Dividend income and market value increase

The total return on a stock is comprised of two primary components: the dividend yield and the capital gain yield. The dividend yield represents the income generated from dividends paid out by the stock expressed as a percentage of the stock's price. This component reflects the cash flow that investors receive from holding the stock, which can be an important consideration for those seeking income from their investments. On the other hand, the capital gain yield refers to the increase in the stock's price over time. This component measures the appreciation of the stock's value and indicates how much an investor stands to gain from selling the stock at a higher price than what was paid for it. Together, these two components give investors a comprehensive view of the return they can expect from owning a stock, factoring in both income through dividends and the potential for growth in the stock's price. Understanding these elements is crucial for evaluating the overall performance of a stock as an investment.

10. To qualify for a \$400,000 mortgage, one must earn approximately how much per year?

A. \$140,000

B. \$160,000

C. \$200,000

D. \$220,000

To determine the income needed to qualify for a \$400,000 mortgage, it's essential to consider common lending guidelines that banks and mortgage lenders use. Typically, lenders look for a debt-to-income (DTI) ratio of about 28% to 36%. This ratio considers your monthly housing cost, including principal, interest, taxes, and insurance, and compares it to your gross monthly income. For a \$400,000 mortgage, assuming an average interest rate and a typical loan term, the monthly payment (including principal and interest) would likely fall within a certain range. When estimating total housing costs, which also includes property taxes and home insurance, you might find the monthly payment approximates several thousands of dollars. If we take a common scenario where the monthly mortgage payment amounts to around \$2,400, then to maintain a manageable DTI, you would look for an annual gross income that allows this payment to form a reasonable percentage of your income. Using the 28% guideline, an approximate calculation would suggest an annual income of around \$160,000 to comfortably cover that mortgage payment. Choosing the option that suggests \$160,000 aligns well with this analysis, making it a plausible estimate for qualifying for the mortgage in question. Thus, that

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://ucf-geb3006-finalexam3.examzify.com>

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