

### MULTIPLE CHOICE

**Directions: CIRCLE the best possible answer to each question.**

1. Why should you have an emergency fund?

- a. It minimizes the stress and damage caused by surprise expenses
- b. It allows you to earn high interest and save for retirement
- c. It enables you to pay for expenses like car and home repairs
- d. All of the above

2. Ideally, how big should your emergency fund be?

- a. One month's worth of expenses
- b. Three months' worth of expenses
- c. Six months' worth of expenses

3. What's a known unknown?

- a. Expenses that are truly unpredictable—you don't know when they will happen, what they will be or how much you'll need
- b. Expenses that are somewhat predictable—you don't know exactly when they will happen, but you know that it's only a matter of time
- c. Expenses that happen regularly and are easy to predict and budget for