HIGH SCHOOL

NEW HAMPSHIRE PERSONAL FINANCE



10 FULL-LENGTH PRACTICE TESTS

400 Original Questions

with Step-by-Step Explanations and a Quick Review

Reza Nazari

HIGH SCHOOL PERSONAL FINANCE

10 FULL-LENGTH NEW HAMPSHIRE PERSONAL FINANCE PRACTICE TESTS

400 Original Questions

with Step-by-Step Explanations and a Quick Review



Reza Nazari

Copyrighted Material

Copyright ©

Effortless Math Education Inc

Published by Effortless Math Education

EffortlessMath.com

ISBN: 979-8-90703-689-5

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law, including Section 107 or 108 of the 1976 United States Copyright Act.

This publication is independently produced and has no official connection to the New Hampshire Department of Education. It is not sponsored, endorsed, or approved by any state agency, school district, or testing organization.

All practice questions are original. Raw scores on these practice tests are a study measure only; they are not scores from any official examination. Dollar figures, tax rules, and contribution limits are dated to 2026 and are for practice. This book is educational and is not individual financial, tax, or legal advice.

Copyright © 2026

Copyrighted Material

Saving, borrowing, and budgeting

- Deposit insurance: generally $250,000 per depositor, per insured institution, per ownership category.
- Compound interest $A = P(1 + r/n)^{nt}$. Rule of 72: years to double $\approx 72 \div$ rate.
- Loan payment $= P \times i \div (1 - (1 + i)^{-n})$, where i is the annual rate divided by 12 and n is the number of months.
- Credit card minimum, as stated on the statements in this book: the greater of $35 or (one month's interest + 1% of the balance). Monthly interest rate = APR ÷ 12 (a simplification: real cards usually apply a daily rate to the average daily balance).
- 50/30/20: 50% of net pay to needs, 30% to wants, 20% to saving.
- Federal student loan rates, 2026–27: undergraduate 6.52%; graduate unsubsidized 8.07%; PLUS 9.07%.

Retirement and health

- Health claims: the deductible is paid first, then coinsurance applies to what is left, until the out-of-pocket maximum is reached.
- 2026 contribution limits, under age 50: 401(k) $24,500; IRA $7,500; HSA $4,400 self-only and $8,750 family; health FSA $3,400.
- 2026 high-deductible health plan minimums: deductible $1,700 self-only, $3,400 family; out-of-pocket maximum $8,500 and $17,000.

New Hampshire facts (2026)

- State income tax: none.
- Minimum wage: $7.25 an hour (the federal rate).
- New Hampshire has no general sales tax (an 8.5% tax applies to restaurant meals, rooms, and car rentals). It has no tax on wages, and its interest and dividends tax ended after 2024.
- New Hampshire does not require auto insurance, but a driver who buys it (or must show financial responsibility) needs at least 25/50/25.
- State 529 college savings plan: UNIQUE College Investing Plan.

Figures marked with a year are dated. They are correct for 2026 and are printed here so that no question depends on recalling them.

Personal Finance Quick Review

The terms, formulas, and traps these tests keep coming back to

How to use this review. Read it once before Practice Test 1, then use it after each test: for every question you missed, find its card, reread it, and check the **Watch out** line—most missed questions fall into one of those traps. The six sections follow the core topics of personal finance, and together they cover every area on the New Hampshire tests (the areas are listed on page 2). A **Numbers and Formulas** card closes the review.

1 Earning Income
Pay stubs, taxes, benefits, and careers

1.1 Reading a pay stub

Gross pay	everything earned before any deduction
Deductions	taxes, benefit premiums, retirement contributions
Net pay	what actually reaches the bank account
YTD	the running total from January through this check

gross pay → pre-tax deductions → taxes withheld → after-tax deductions → net pay

Pay periods per year: weekly 52, biweekly 26, semimonthly 24, monthly 12.

Watch out: biweekly (every two weeks, 26 checks) is not semimonthly (twice a month, 24 checks).

1.2 Hourly pay and overtime

Overtime in this book: unless a question says otherwise, hours over 40 in one workweek are paid at 1.5 times the regular rate.

Example: \$18/hour, 46 hours → $40 \times 18 = \$720$; $6 \times 27 = \$162$; gross \$882.

Annual from hourly: rate × 2,080 hours for a full-time year.

Watch out: only the hours *over* 40 earn the overtime rate, not the whole week.

1.3 Payroll taxes and income tax

- **FICA:** Social Security 6.2% (up to the annual wage cap) plus Medicare 1.45%; together 7.65%. Self-employed workers pay 15.3% on 92.35% of net earnings (the simplified rule this book uses; at high earnings the Social Security part stops at the wage cap).
- **W-4:** tells the employer how much federal income tax to withhold. **W-2:** the employer's year-end summary of wages and withholding. **1040:** the individual tax return.
- **Taxable income** = income − deductions (for most filers, the standard deduction).
- **Marginal brackets:** each rate applies only to the income inside its bracket.

Watch out: moving into a higher bracket does not raise the tax on all your income—only on the dollars above the line.

1.4 Total compensation and careers

Compare job offers on **salary** − **your yearly premiums** + **employer match and other benefits**, not salary alone.

Education and training: weigh the full cost (tuition, fees, living costs, interest on loans) against the added earnings. Grants and scholarships are not repaid; loans are.

Watch out: a higher salary can be worth less once a large health premium and a missing retirement match are counted.

2 Spending
Budgets, consumer choices, cars, and housing

2.1 Budgets

Budget = a plan for net (take-home) pay. **Needs** (rent, utilities, groceries, transportation, insurance), **wants**, and **saving**.

50/30/20: 50% needs, 30% wants, 20% saving, each of net pay.

Fixed expenses stay the same each month; **variable** expenses change.

Sinking fund: set aside a bill's cost month by month: a \$588 six-month premium → $\$588 \div 6 = \$98$/month.

Watch out: build a budget from net pay, not gross pay.

2.2 Smart buying

- **Unit price** = price ÷ quantity; compare in the same unit.
- **Sales:** a 20% discount then 10% off the sale price is 28% off, not 30%.
- **Sales tax** applies to the price after discounts.
- **Opportunity cost:** the value of the next-best choice you give up.

Watch out: two discounts in a row do not simply add.

2.3 Buying or leasing a car

Total cost of a loan = down payment + (monthly payment × months).

Total cost of a lease = due at signing + (payment × months) + end-of-lease fees; at the end you own nothing.

Ownership costs beyond the payment: insurance, fuel, maintenance, registration.

Watch out: the lower monthly payment is not the lower total cost; a longer loan usually costs more interest.

2.4 Housing and living on your own

- **Move-in cost** for a rental: first month's rent + security deposit (plus any fees).
- A common guideline keeps rent near or below about 30% of gross income.
- **Renters insurance** covers your belongings; the landlord's policy covers the building.
- **Buying** adds a down payment, closing costs, property tax, insurance, and repairs to the mortgage payment.

Watch out: a security deposit is refundable if the unit is left in good condition; it is not rent.

2.5 Consumer protection and scams

Warning signs: pressure to act now, payment by gift card or wire, requests for passwords or account numbers, and offers that sound too good to be true. Read a contract before signing; know the return policy and warranty.

Watch out: a legitimate bank or agency will not ask you to "verify" your password by text or email.

3 Saving
Accounts, fees, interest, and goals

3.1 Accounts, fees, and protection

Checking	everyday payments; debit card, transfers
Savings	earns interest; for goals and emergencies
Overdraft	spending more than the balance; often triggers a fee
Deposit insurance	FDIC (banks) or NCUA (credit unions): generally $250,000 per depositor, per insured institution, per ownership category

Emergency fund: commonly three to six months of essential expenses.

Watch out: deposit insurance protects deposits if the institution fails; it does not cover investments or theft from your own mistakes.

3.2 Simple and compound interest

Simple: $I = Prt$. $2,000 at 4% for 3 years $\rightarrow$ $240.

Compound: $A = P(1 + r/n)^{nt}$: interest earns interest.

Rule of 72: years to double $\approx 72 \div$ rate; at 6%, about 12 years.

APY includes compounding, so compare savings accounts by APY.

Watch out: write the rate as a decimal: 4% = 0.04, not 4.

4 Investing
Risk and return, funds, and retirement accounts

4.1 Risk, return, and diversification

Stock	a share of ownership; higher expected return, higher risk
Bond	a loan to a company or government; pays interest
Mutual fund / ETF	many investments in one; built-in diversification
Index fund	tracks a market index at low cost

Diversification spreads money across many investments so one loss hurts less. A longer time horizon lets an investor ride out swings.

Watch out: higher expected returns generally require accepting greater risk; a promise of guaranteed high returns is a red flag.

13) A tenant signs a 12-month lease and wants to move out after 7 months. What is the tenant usually responsible for?

(A) Rent only for the month in which the tenant moves out
(B) Only the security deposit
(C) Rent under the lease terms, unless the lease allows early termination or the unit is re-rented
(D) Nothing, because a lease can be ended at any time

14) Amara Okafor, who lives in Plymouth, reviews the retirement plan statement below.

Castellano Tile retirement plan	Amara Okafor	Amount
Employee deferral, year to date		$15,800
Employer match, year to date		$15,800
Investment earnings, year to date		$410
Remaining employee room for the year		_____

Using the 2026 contribution limit in the reference figures, how much more may Amara defer from pay this year?

(A) −$7,100
(B) $15,800
(C) $24,500
(D) $8,700

15) Eliana Cohen, who lives in Keene, is offered a $89.00 protection plan on a treadmill costing $1,150.00. About 8% of these machines need the covered repair within the plan's term, and that repair costs $310.00. What is the expected cost of the repair without the plan?

(A) $92.00
(B) $24.80
(C) $89.00
(D) $310.00

16) Imani is in a minor car crash with no injuries. Which action best protects her ability to file a smooth insurance claim?

(A) Wait several weeks to get repair estimates before contacting her insurer
(B) Agree to pay the other driver cash and never tell her insurer
(C) Leave without exchanging details because the damage looks small
(D) Photograph the scene, exchange insurance information, and report the claim promptly

17) Priya Raghunathan keeps $6,000 in a savings account paying 0.05% APY. An insured online bank pays 4.10% APY. About how much more interest would the online bank pay in one year?

(A) $243.00
(B) $246.00
(C) $3.00
(D) $2,430.00

18) Elena earns $5,000 a month. Her long-term disability policy pays 60% of monthly earnings after a 3-month elimination period. An injury keeps her out of work for 6 months. How much does she receive in total disability benefits for this period?

(A) $9,000
(B) $18,000
(C) $15,000
(D) $6,000

19) Which pairing of an action with its risk-management strategy is correct?

(A) Installing smoke detectors – transfer
(B) Paying for small phone repairs from savings – avoidance
(C) Deciding not to buy a motorcycle because of its crash risk – avoidance
(D) Buying renters insurance – retention

20) Chloe Martin of Concord gets this explanation of benefits (EOB) after an in-network visit. She had already met her deductible.

Explanation of benefits	**Amount**
Amount billed by the provider	$480.00
Plan's allowed amount	$300.00
Plan paid (80% of allowed)	$240.00
Your coinsurance (20% of allowed)	$60.00

The provider then sends Chloe a bill for $240.00. What should she do?

(A) Pay the $240.00, since that is the amount the plan did not cover
(B) Pay $180.00, the gap between the billed and allowed amounts
(C) Pay only her $60.00 coinsurance and ask the provider to correct the bill
(D) Pay nothing, since she has met her deductible

21) Kayla Brooks wants a laptop that costs $600 in cash. A rent-to-own store offers the same laptop for $25 a week, and she owns it only after all 52 payments. If she instead saves $25 a week and pays cash, about how long will she wait, and how much will she save compared with the rent-to-own plan?

(A) About 52 weeks, saving $700
(B) About 24 weeks, saving $1,300
(C) About 24 weeks, saving $700
(D) About 28 weeks, saving $700

22) What is the difference between a credit report and a credit score?

(A) The report is issued by a lender and the score by the government
(B) They are two names for the same document
(C) The report is the record of the accounts; the score is a number calculated from it
(D) The score is the list of accounts and the report is the number

23) Amara Okafor, a Berlin resident, is a hospital anesthetist whose wages year to date are $181,300. The next semimonthly check is $7,500.00 of gross pay. Using the reference figures for 2026, what is the Social Security withholding on that check?

(A) $198.40
(B) $573.75
(C) $465.00
(D) $108.75

24) A Nashua family wants its college savings to grow free of federal tax as long as the money is used for qualified education costs. Which account fits that goal?

(A) The UNIQUE College Investing Plan, New Hampshire's 529 plan
(B) A regular savings account
(C) A taxable brokerage account
(D) A certificate of deposit

25) Kenji Watanabe, a Keene resident, compares three sizes of rice on the shelf.

Shelf tags: rice	Price
16-pound size	$4.29
40-pound size	$9.12
80-pound size	$19.20

Which size costs the least per pound?

(A) All three cost the same per pound
(B) The 40-pound size
(C) The 80-pound size
(D) The 16-pound size

26) A new hire is offered a job that includes up to $4,000 a year of tuition assistance. Before counting that benefit as part of the offer's value, which term is most important to check?

(A) Whether the assistance is added to her base salary for figuring raises
(B) Whether the assistance reduces her Social Security withholding
(C) Whether the assistance is paid out as cash in each paycheck
(D) Whether she must repay the assistance if she leaves the company within a set period

27) In the circular flow model, what do households provide to businesses in exchange for wages?

(A) Labor and other resources
(B) Finished goods
(C) Money spent on goods and services
(D) Loans at interest