HIGH SCHOOL

UTAH

PERSONAL FINANCE



FULL-LENGTH PRACTICE TESTS

520 Original Questions

with Step-by-Step Explanations and a Quick Review

Reza Nazari

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10 FULL-LENGTH UTAH PERSONAL FINANCE PRACTICE TESTS

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Reference Sheet

Figures and formulas you may use on every test

You are not expected to memorize any of these. Every question that needs one of them can be answered with the figures below. Unless a question says otherwise, use 6.2% for Social Security and 1.45% for Medicare, assume no state or local income-tax withholding, and round money to the nearest cent.

Paychecks and taxes

- Social Security 6.2% of wages, up to $184,500 in 2026. Medicare 1.45% of all wages, no cap. The two together are 7.65%.
- Self-employment tax (simplified rule for this book): 15.3%, charged on 92.35% of net earnings. At high earnings the Social Security part stops at the wage base.
- Overtime for questions in this book: unless a question states otherwise, assume overtime is paid at 1.5 times the regular rate for hours over 40 in one workweek.
- Full-time year: $40 \times 52 = 2{,}080$ hours. Paychecks a year: weekly 52, biweekly 26, semimonthly 24, monthly 12.
- 2026 federal income tax, single filer: standard deduction $16,100; 10% to $12,400 of taxable income, 12% to $50,400, 22% to $105,700.

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 $\div$ 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.

Utah facts (2026)

- State income tax: flat 4.45%.
- Minimum wage: $7.25 an hour (the federal rate).
- Minimum combined sales tax 6.1% everywhere in Utah (4.85% state plus 1.25% uniform local); grocery food 3%; other local add-ons raise the rate in most cities.
- Minimum auto liability 30/65/25.
- State 529 college savings plan: my529.
- A state student-aid program: Utah Promise Grant.

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 Utah 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 $\rightarrow \$588 \div 6 = \$98$/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.

Scan Me

18) A saver's 12-month CD matured three weeks ago. The bank mailed a notice saying the CD would renew automatically unless she acted within a 10-day grace period, but she ignored it. What has most likely happened?

(A) The money was moved into her checking account when the CD matured
(B) It keeps earning its old rate with no set term, so she can withdraw anytime
(C) It renewed into a new 12-month CD at the bank's current rate, so taking the money out now may cost an early withdrawal penalty
(D) The bank closed the CD and mailed her a check for the balance

19) Amara Okafor of St. George needs a ride home after a game. The app quotes $31.50 and says fares are currently 1.75 times the usual price. Surge pricing near the stadium usually ends about 20 minutes after games. About how much would she save by waiting until the usual fare returns?

(A) $23.63
(B) $1.75
(C) $13.50
(D) $18.00

20) On a production possibilities curve, what does a point inside the curve show?

(A) Resources are not being fully or efficiently used
(B) Production that is impossible with current resources
(C) The most efficient use of resources
(D) Economic growth

21) Which purchase is a need rather than a want for a young worker who drives to a job?

(A) Concert tickets
(B) New wheels for the car
(C) A premium streaming service
(D) Required car insurance

22) Lena Novak, a Moab resident, invests $150 in an S&P 500 index fund, which permits fractional shares, on the same day of each month for three months. The share price was $20, then $25, then $15. What was the average cost per share actually paid?

(A) $20.00
(B) $15.00
(C) $25.00
(D) $19.15

23) Evelyn Brooks of Provo, 78, wants her savings account to go to her son when she dies without going through probate. She does not want him to be able to use the money while she is alive. Which step best fits her goals?

(A) Add her son as a joint owner of the account
(B) Name her son as the payable-on-death (POD) beneficiary on the account
(C) Leave the account to him in her will
(D) Add him as an authorized signer, so the money becomes his when she dies

24) Lucia Moreno sells a bike online for $300. The buyer mails a check for $1,300 and asks her to deposit it and send the extra $1,000 to his "mover" through a payment app. Her bank makes the money available two days later. What is the main risk?

(A) There is little risk once the bank makes the money available, since that means the check has cleared
(B) The only risk is a small fee from the payment app for sending $1,000
(C) The check may be fake and come back weeks later, leaving her owing the bank while the $1,000 she sent is likely gone
(D) The bank will absorb the loss if the check bounces, because it released the money

25) Malik Johnson, who lives in Vernal, has a self-only high-deductible health plan and has put $1,400 into a health savings account so far this year. The employer has also deposited $300 into the same account. Using the reference figures for 2026, how much room is left for the year?

(A) $2,700
(B) $7,050
(C) $3,000
(D) $4,400

26) A store's policy reads: "Returns within 30 days with a receipt are refunded to the original payment. Without a receipt, we issue store credit at the item's lowest selling price in the past 60 days." A shopper paid $120 for headphones 20 days ago, lost the receipt, and sees they are now on sale for $90. What can the shopper most likely expect?

(A) Store credit of $90
(B) A $120 refund to the original card, since it is within 30 days
(C) Store credit of $120, the price actually paid
(D) Nothing, because items cannot be returned without a receipt

27) A fire destroys Hannah's three-year-old laptop. She paid $1,200 for it; a comparable new laptop now costs $1,000, and the old one's depreciated value is $450. Her renters policy has replacement-cost coverage and a $250 deductible. How much should the policy pay for the laptop?

(A) $750
(B) $200
(C) $950
(D) $1,000

28) Eliana Cohen's credit card has a 21.99% APR. After a payment arrives 60 days late, the card applies a 29.99% penalty APR to her $2,400 balance. About how much more interest is charged each month at the penalty rate?

(A) $59.98
(B) $192.00
(C) $43.98
(D) $16.00

29) A new laptop comes with a written promise that the maker will repair defects for one year. What is this?

(A) An implied warranty
(B) A rebate
(C) An extended service plan
(D) An express warranty

30) Samuel leaves his job at a company with 300 employees. While employed, he paid $150 a month for health coverage and his employer paid $450 a month. If he elects COBRA continuation coverage and the plan charges the most it is allowed, about how much will he pay each month?

(A) $150
(B) $153
(C) $450
(D) $612

31) What makes a payday loan so risky for borrowers?

(A) It always has a 0% APR
(B) It is FDIC-insured like a savings account
(C) Its fees equal a very high APR, often around 400%
(D) It builds credit faster than any other loan

32) Rania Haddad, who lives in Cedar City, is paid the same gross amount every period at Sunbelt Solar Installers. The earnings statement below is for the current period.

Sunbelt Solar Installers	Rania Haddad	Amount
Gross pay, this period		$903.20
Gross pay, year to date		$11,741.60
Federal income tax, this period		$58.00
Social Security, this period		$56.00
Medicare, this period		$13.10
Net pay, this period		$776.10

How many pay periods has Rania been paid so far this year?

(A) 14
(B) 13
(C) 12
(D) 26

33) Marisol Vega, 56, leaves her job this year. She has $80,000 in that employer's 401(k) and $30,000 in a traditional IRA. She wants to take out $15,000 this year and avoid the 10% additional tax on early withdrawals, though regular income tax will apply. Which choice fits the rules?

(A) Roll the 401(k) into her IRA first, then withdraw from the IRA
(B) Withdraw it from her traditional IRA, since she is over 55
(C) Wait until age $59\frac{1}{2}$, since no account allows it earlier
(D) Withdraw it from the 401(k) at the job she just left, before rolling that money into an IRA