



# ***World Studies for Georgia Students-Grade 6***

## *Chapter 16: Personal Finance*

### *Section 1: Spending Your Money*

#### **Guided Reading**

**Instructions:** Read the section and complete each item with words from the passages in this section.

1. The money an individual obtains is called \_\_\_\_\_.
2. \_\_\_\_\_ are the spending of some or all of that money for various purposes.
3. Some income may be spent for basic \_\_\_\_\_, including food, clothing, and shelter.
4. Expenses can also be for \_\_\_\_\_—items or services not absolutely necessary, but desired.
5. A \_\_\_\_\_ expense is when the expense costs the same every month, like a car loan payment or rent.
6. A \_\_\_\_\_ expense is when the expense costs different amounts every month, like the grocery bill.
7. People with a regular income usually \_\_\_\_\_ some of their money in a checking account at a bank or credit union so they can pay their expenses.
8. A check that is not backed up by enough money is known as an \_\_\_\_\_, or a “bounced check.”
9. The best way to manage money is to have a \_\_\_\_\_, or plan for how money will be used.
10. The most important rule is that amounts for expenses should never be \_\_\_\_\_ than the amount of income.

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Class: \_\_\_\_\_

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11. Another use, or purpose, of money is for \_\_\_\_\_ giving to help other people.
12. The act of giving money for charitable purposes is called \_\_\_\_\_.



# ***World Studies for Georgia Students-Grade 6***

## *Chapter 16: Personal Finance*

### *Section 2: Saving and Investing Your Money*

#### **Guided Reading**

**Instructions:** Read the section and complete each item with words from the passages in this section.

1. \_\_\_\_\_ or investing money means that, rather than spending all income on goods and services now, some income is budgeted for something that will bring a future benefit or will earn more money.
2. A \_\_\_\_\_ account usually pays a small amount of interest on the amount deposited.
3. \_\_\_\_\_ is money paid regularly by the bank to the account holder for money being saved.
4. Saving can also be a way of achieving a \_\_\_\_\_ goal.
5. An \_\_\_\_\_ is money spent on something with the goal of making a profit (more money).
6. \_\_\_\_\_ investments involve putting money into things like stocks and bonds as a way to make money in the future.
7. \_\_\_\_\_ investment involves putting money into something physical such as real estate (land or a house) or equipment.
8. Investments can be beneficial, but they can also be \_\_\_\_\_.
9. Safer investments do not earn as much \_\_\_\_\_, but they guard against loss.
10. One safe investment is a bank's \_\_\_\_\_ of deposit (CD).
11. Another type of investment is a \_\_\_\_\_.
12. \_\_\_\_\_ are another type of investment. A corporation issues shares of \_\_\_\_\_ (ownership shares in the company) to raise money.

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#### **Guided Reading**

13. Stocks can be very \_\_\_\_\_; if a company goes out of business, investors can lose everything they invested.
14. \_\_\_\_\_ funds are usually safer than individual stocks. A mutual fund puts together money from many investors and buys many different \_\_\_\_\_ and bonds.
15. \_\_\_\_\_ funds are managed by professionals who charge investors a fee for managing their accounts.
16. These investments are also good for the overall \_\_\_\_\_ because investment is what enables businesses to become established, to expand, and to grow.



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## *Chapter 16: Personal Finance*

### *Section 3: Credit*

#### **Guided Reading**

**Instructions:** Read the section and complete each item with words from the passages in this section.

1. \_\_\_\_\_ is an arrangement by which a buyer can take possession of something now and pay for it in the future, usually with interest.
2. Credit enables \_\_\_\_\_ to start up and expand.
3. Common forms of consumer credit include personal loans, \_\_\_\_\_ (home loans), and credit cards.
4. Taking out a loan or buying something on credit can cause a financial \_\_\_\_\_ if a person borrows or spends too much.
5. The lender keeps a claim to the \_\_\_\_\_, or ownership, of a car or house until the entire debt is paid. If the buyer fails to make payments, the lender can \_\_\_\_\_ (take possession of) the item.
6. It is best to pay the \_\_\_\_\_ amount owed when the credit card bill arrives. Making just the \_\_\_\_\_ payment each month can lead to additional debt and can cause financial ruin.
7. Making payments on time and in full is important to a person's credit \_\_\_\_\_.
8. Based on credit history, each individual earns a credit \_\_\_\_\_ (a number assigned to a person that indicates his or her capacity to repay a loan).
9. Financial institutions and businesses check credit \_\_\_\_\_ to decide whether or not a person qualifies for a loan or a credit card and, if so, how much \_\_\_\_\_ that person deserves.