EVERFI FINANCIAL LITERACY FOR HIGH SCHOOL PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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.

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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. 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.

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. 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

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1. **What banking feature allows access to an individual's account via a smartphone or tablet?**

   A. Online Banking

   B. Mobile Banking

   C. Virtual Banking

   D. ATM Banking

2. **What type of insurance covers medical bills and lost wages when involved in an accident with an uninsured driver?**

   A. Uninsured motorist bodily injury

   B. Comprehensive insurance

   C. Liability insurance

   D. Collision insurance

3. **What are short-term financial goals?**

   A. Goals intended to be achieved in one year or less

   B. Objectives that take more than five years to achieve

   C. Long-term investments for retirement

   D. Goals exclusively related to purchasing a home

4. **What defines a credit union?**

   A. A for-profit financial institution

   B. A member-owned cooperative

   C. A governmental agency for loans

   D. A bank that operates online only

5. **What type of insurance provides payments if a person becomes too sick or injured to work?**

   A. Long-term Disability Insurance

   B. Short-term Disability Insurance

   C. Health Insurance

   D. Life Insurance

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6. What is the primary feature of peer-to-peer lending?

A. It requires a bank as an intermediary
B. It facilitates borrowing and lending directly between individuals
C. It offers loans with fixed interest rates only
D. It is only available for small amounts

7. Which of the following is NOT a type of financial aid?

A. Student loan
B. Merit-based award
C. Paycheck reimbursement
D. Need-based grant

8. What is the primary role of a financial advisor?

A. To sell insurance products
B. To provide professional guidance on financial matters
C. To handle personal banking transactions
D. To audit financial statements

9. Which type of insurance provides coverage for damages other than collisions?

A. Comprehensive Insurance
B. Collision Insurance
C. Checking Account
D. Certificate Program

10. What does a credit score measure?

A. Income stability over time
B. Individual's creditworthiness
C. Types of financial accounts held
D. Investment knowledge

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Answers

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

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Explanations

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1. What banking feature allows access to an individual's account via a smartphone or tablet?

A. Online Banking

B. Mobile Banking

C. Virtual Banking

D. ATM Banking

Mobile banking specifically refers to the ability to access and manage a bank account using a smartphone or tablet. This feature provides users with a convenient platform to perform various banking activities, such as checking account balances, transferring funds, depositing checks, and paying bills, all from their mobile devices. Unlike online banking, which typically requires access through a web browser on a computer, mobile banking is designed for mobile devices and often includes dedicated apps that enhance user experience with features optimized for smaller screens. This makes it easier and more accessible for users to handle their financial transactions on the go. The other options do not accurately describe the feature that provides access via smartphones or tablets. Online banking generally refers to banking services accessed through a computer. Virtual banking is a broader term that may not specifically denote access through mobile devices and may include various online services. ATM banking is limited to transactions conducted at automated teller machines, which do not involve smartphone or tablet access.

2. What type of insurance covers medical bills and lost wages when involved in an accident with an uninsured driver?

A. Uninsured motorist bodily injury

B. Comprehensive insurance

C. Liability insurance

D. Collision insurance

Uninsured motorist bodily injury coverage is specifically designed to protect you in situations where you are involved in an accident with a driver who does not have insurance. This type of insurance can cover your medical expenses as well as compensate for lost wages if you are injured and unable to work due to the accident. It ensures that you are not left with financial burdens due to another party's lack of coverage. Comprehensive insurance, on the other hand, protects your vehicle against non-collision-related damages such as theft or natural disasters, and does not cover medical expenses or lost wages from an accident. Liability insurance covers the damages you cause to another driver in an accident, but it does not provide any coverage for your injuries or lost wages. Lastly, collision insurance specifically covers damage to your own vehicle resulting from a collision, regardless of who is at fault, but similarly does not address medical costs or lost income. Therefore, the most appropriate type of insurance for the given scenario is uninsured motorist bodily injury coverage.

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3. What are short-term financial goals?

A. Goals intended to be achieved in one year or less

B. Objectives that take more than five years to achieve

C. Long-term investments for retirement

D. Goals exclusively related to purchasing a home

Short-term financial goals are defined as objectives that individuals aim to achieve within one year or less. These goals often relate to immediate financial needs or wants, such as saving for a vacation, building an emergency fund, or paying off a small debt. The emphasis on a timeline of one year or less distinguishes short-term goals from longer-term objectives, which can span multiple years or decades. The other options describe different types of financial goals. Objectives that take more than five years to achieve refer to long-term financial goals, while long-term investments for retirement suggest strategies that typically evolve over a significant period. Goals exclusively related to purchasing a home are more specific and can fall into various timeframes, depending on the buyer's readiness and market conditions, but do not define short-term goals. Thus, the framing of short-term goals as those achievable within a year is what makes the correct choice the most accurate.

4. What defines a credit union?

A. A for-profit financial institution

B. A member-owned cooperative

C. A governmental agency for loans

D. A bank that operates online only

A credit union is defined as a member-owned cooperative, which means it is owned and operated by its members for their mutual benefit. Unlike traditional banks that aim to make a profit for shareholders, credit unions strive to provide better services, lower fees, and higher interest rates for their members. This cooperative structure allows members to have a say in how the institution is run, often giving them a voice in decisions like board elections and policy changes. The cooperative nature of credit unions fosters a community-oriented approach to banking, where the focus is on serving members rather than maximizing profits. This typically results in a strong emphasis on customer service and member satisfaction. The other options represent different types of financial institutions or formats that do not align with the fundamental characteristics of credit unions. For example, for-profit financial institutions prioritize profit for shareholders rather than member benefit. Governmental agencies typically deal with public loan initiatives and assistance programs rather than providing a range of financial services like credit unions. Lastly, banks that operate online only are still for-profit entities, which goes against the core principle of credit unions being member-owned cooperatives.

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5. What type of insurance provides payments if a person becomes too sick or injured to work?

A. Long-term Disability Insurance

B. Short-term Disability Insurance

C. Health Insurance

D. Life Insurance

Short-term disability insurance is designed to provide income replacement for individuals who become temporarily unable to work due to illness or injury. This type of insurance typically covers a portion of a person's salary for a defined period, allowing them to manage expenses while they recover. It is structured to assist individuals who face short-term limitations in their ability to earn income, typically for situations that last from a few weeks to several months. While long-term disability insurance also serves a similar purpose, it is specifically aimed at individuals who experience more prolonged periods of incapacity, usually lasting longer than a few months. Health insurance covers medical expenses related to healthcare needs but does not offer income replacement. Life insurance provides financial support to beneficiaries upon the death of the insured, but does not address short-term or long-term work incapacity from illness or injury. Therefore, short-term disability insurance is the most appropriate choice for providing income during temporary work absences due to medical conditions.

6. What is the primary feature of peer-to-peer lending?

A. It requires a bank as an intermediary

B. It facilitates borrowing and lending directly between individuals

C. It offers loans with fixed interest rates only

D. It is only available for small amounts

The primary feature of peer-to-peer lending is that it facilitates borrowing and lending directly between individuals. This system bypasses traditional financial institutions, such as banks, which usually act as intermediaries in financial transactions. With peer-to-peer lending platforms, individuals can connect directly to lend money to other individuals who are seeking loans, often resulting in more favorable terms for both parties. This direct connection can lead to lower interest rates for borrowers and a potentially higher return for lenders, compared to what they might receive from a traditional savings account or investment. The emphasis on personal transactions in peer-to-peer lending makes it a flexible option for those looking for alternatives to conventional bank loans. The ability to negotiate terms and find personalized lending opportunities is a significant advantage over traditional lending processes. Thus, the essence of peer-to-peer lending is its direct nature, enabling individuals to manage their own borrowing and lending without bank involvement.

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7. Which of the following is NOT a type of financial aid?

A. Student loan

B. Merit-based award

C. Paycheck reimbursement

D. Need-based grant

The correct answer is that paycheck reimbursement is not a type of financial aid. Financial aid is typically associated with funding that helps students pay for their education expenses, such as tuition, fees, books, and living costs. This financial assistance can come in various forms, including loans, grants, and scholarships. Student loans are borrowed funds that need to be repaid, often with interest. Merit-based awards are scholarships given to students based on their academic, artistic, or athletic achievements. Need-based grants are awarded based on the financial needs of the student, helping those who may struggle to afford college expenses. In contrast, paycheck reimbursement relates to the process where an employer reimburses an employee for expenses incurred related to their job, rather than supporting educational costs. Since paycheck reimbursement does not directly contribute to funding a student's education, it is not classified as a type of financial aid.

8. What is the primary role of a financial advisor?

A. To sell insurance products

B. To provide professional guidance on financial matters

C. To handle personal banking transactions

D. To audit financial statements

The primary role of a financial advisor is to provide professional guidance on financial matters. This includes assessing a client's financial situation, helping them set goals, and creating comprehensive financial plans. Financial advisors offer expertise in various areas, such as investing, retirement strategies, tax planning, and estate planning, ensuring clients make informed decisions that align with their financial objectives. While selling insurance products, handling banking transactions, or auditing financial statements may be relevant in certain contexts, they do not encapsulate the broader and more critical role that a financial advisor plays. Financial advisors focus on guiding clients through complex financial landscapes and creating tailored strategies to help clients achieve long-term financial success.

9. Which type of insurance provides coverage for damages other than collisions?

A. Comprehensive Insurance

B. Collision Insurance

C. Checking Account

D. Certificate Program

Comprehensive insurance is designed to cover a wide range of damages to your vehicle that are not the result of a collision. This includes incidents such as theft, vandalism, natural disasters, and damage from animals. For instance, if a tree falls on your car during a storm or if your car is stolen, comprehensive insurance would help cover the costs associated with those damages. In contrast, collision insurance specifically addresses damage to your vehicle resulting from a collision with another vehicle or object. The other options, such as checking accounts and certificate programs, do not pertain to vehicle insurance at all, as they relate to banking and educational courses, respectively. Therefore, comprehensive insurance is clearly the correct choice for coverage beyond collision-related damages.

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10. What does a credit score measure?

A. Income stability over time

B. Individual's creditworthiness

C. Types of financial accounts held

D. Investment knowledge

A credit score is specifically designed to measure an individual's creditworthiness, which is essentially an evaluation of how likely they are to repay borrowed money based on their credit history. This score reflects a borrower's credit behaviors, such as payment history, debt levels, types of credit used, and the length of credit history. Lenders use this score to determine the risk involved in lending money or extending credit to an individual. An accurate assessment of creditworthiness is crucial as it influences loan approvals, interest rates, and even rental agreements. The other choices do not accurately capture the purpose of a credit score. Income stability pertains to a person's earnings over time but doesn't reflect their borrowing behavior or payment history. The types of financial accounts held provide background on wealth or income but are not indicative of their reliability as a borrower. Investment knowledge does not relate to credit scores at all; it measures a person's awareness and skills in investing rather than their financial behaviors related to credit.

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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://everfifinanciallithighschool.examzify.com

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

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