



Society for Financial Education and Professional Development, Inc  
*Enhancing financial and professional growth....*

### Pre Test General Credit Answers

1. Which of the following factors determine the total cost of a loan?
  - a. Interest rate/ Annual Percentage Rate (APR).
  - b. Term of the loan.
  - c. The length of your employment.
  - d. All of the above.
  
2. What are the ways to maintain and improve credit?
  - a. Keep a record of credit card purchases to avoid exceeding your credit limit.
  - b. Only apply for credit when you really need it.
  - c. Pay more than the minimum due.
  - d. All of the above.
  
3. Which of the following is not one of the three Cs that lenders review for credit?
  - a. Capacity
  - b. Collateral
  - c. Competency
  - d. Character
  
4. Which of the following is a disadvantage of bad credit?
  - a. Lower interest rates
  - b. Availability of credit sources
  - c. Lower insurance premiums
  - d. Limited employment opportunities
  
5. Bad Credit History Results in
  - a. High interest rates on loans.
  - b. Limited number of lenders.
  - c. Recorded in your credit report.
  - d. Financial Stress
  - e. All of the above.