

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Compound interest equals...
 - a. Earning interest on your interest
 - b. One of the most powerful concepts in saving and investing
 - c. Accelerated savings over time
 - d. All of the above

2. Interest withdrawals—even if they are small—keep compound interest from doing its thing
 - a. True
 - b. False

3. Time is money when it comes to compound interest—the longer you put off investing your money, the less interest you'll earn
 - a. True
 - b. False

4. Monthly compounding frequency makes less money than annual compounding frequency
 - a. True
 - b. False