

Financial Position Throughout the Life Cycle

	Total Points Earned
20	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Use the complete Statement of Financial Position's for Cody, Chuck and Wendy, and Ed and Mary to answer the questions below.

1. Complete the table below to indicate the total assets, liabilities, and net worth for each person or family. (9 points, ½ point each)

	Assets	Liabilities	Net Worth
Cody	Monetary assets:		
	Tangible assets:		
	Investment assets:		
	Total assets:		
Chuck and Wendy	Monetary assets:		
	Tangible assets:		
	Investment assets:		
	Total assets:		
Ed and Mary	Monetary assets:		
	Tangible assets:		
	Investment assets:		
	Total assets:		

2. What life events are impacting the financial choices each individual/family is making? (3 points)

Cody:

Chuck and Wendy:

Ed and Mary:

3. How do the differences in net worth reflect changes in financial position throughout the life cycle? (1 point)

4. Cody is in college. How do you think his Statement of Financial Position will change after he graduates from college? Identify at least two specific changes. (2 points)

5. Chuck and Wendy are newly married. Do you think Ed and Mary had a similar Statement of Financial Position when they were first married? Why or why not? (2 points)

6. Based on their Statement of Financial Position, would you recommend that Ed and Mary retire next year? If so, explain why. If not, explain what you would recommend they do financially before they retire. (2 points)

7. Why is it ideal for net worth to increase as people get older? (1 point)