



2023-2024

Competitive Events Handbook



Financial Literacy

Event Summary

To encourage NCA members to develop skills related to financial literacy that could include - money management, budgeting, bank accounts, interest rates, basic investing, credit cards, saving money and financial safety.

Event Code

FL

Event Type

Individual Event

Dress Code

Competitors must be in official NCA uniform or in proper business attire.
Bonus points are awarded for proper dress.

General Rules

1. Competitors in this event must be active members of NCA and be in good standing.
2. Eligible divisions to compete in the Financial Literacy (FL) event:
 - Middle School
 - Secondary
 - Out-of-School/Collegiate Divisions
3. Competitors must be familiar with and adhere to the “General Rules and Regulations of the NCA Competitive Events Program (GRR).”
4. All competitors shall report to the site of the event at the time designated for each round of competition. At the National CDC, competitor’s photo ID must be presented prior to ALL competition rounds.

Official References

None.

Event Guidelines

This event is an individual financial literacy test.

Financial Literacy event overview:

- The written test will consist of 50 multiple choice questions.
- A maximum of 60 minutes is allowed for the test.
- There will be a verbal announcement when there are 60 minutes, 30 minutes, 15 minutes, 5 minutes, and 1 minute remaining to complete the test.
- All competitors will receive two (2) 8.5x11" sheets of blank paper for use during the test.
- **Competitor must bring their own #2 pencil.**
 - At the National CDC answers will be collected on a Scantron form which requires competitors to fill-in their responses with a #2 pencil. (At the Competitive Event Guidelines Financial Literacy (2023) FL 2 State CDC, when a paper/pencil test is used or the test is administered on a computer, the competitor will write in or key in the response for each question.)
 - At the National Career Development Conference, NCA will provide basic handheld calculators (no graphing calculators) for addition, subtraction, division, multiplication, and square root.
 - Competitors may NOT use the summary page or any type of conversion chart or resource during the test.
 - Converting between measurement systems will often render a different answer depending upon which systems and conversions are being used. The answer to a calculation problem will ultimately be the same answer after appropriate rounding.
 - When rounding decimal numbers to the nearest tenths, hundredths, or thousandths, look to the immediate right of the digit located in the position to be rounded. If the number to the direct right is 5 or larger, round to the position up one number and drop everything that follows. If the number to the direct right is 4 or smaller, leave the position being rounded as is and drop everything that follows.
- The test plan includes questions based on the following financial literacy areas:
 - ◇ Practical Money Skills
 - ◇ Basic Budgeting Skills
 - ◇ Credit Card Basics
 - ◇ Debit Card Basics
 - ◇ Identity and Finances Protection
 - ◇ Prepaid Card Basics
 - ◇ Credit Score Control
 - ◇ Money Management and Living Independently

- ◇ Retirement Basics
- ◇ Financial Life Events, such as:
 - Going to College
 - Buying a Car
 - Renting an Apartment
 - Buying a Home
 - Elder Care
 - Handling the Unexpected
 - Health Care
 - Family Life

Final Scoring

A series of ten (10) complex, multi-step tie breaking questions will be administered with the original test. In case of a tie, successive tie-breaker questions will be used until a winner is determined. In the tiebreaker, correct spelling is required for an item to be considered accurate.

Written Test Instructions

Check your Test Booklet and Scantron

- Do you have the right test?
- Is the pre-printed information on the Scantron correct?
- Write your competitor ID on the test booklet and tiebreaker page (if applicable) and mark the competitor division you are registered in.

Write On your Scantron

- Write your test number on the Scantron in the appropriate “box” (area). Stray marks in the margin or edges may make your Scantron unreadable for the computer.
- On the evaluation form, please mark the event code for this event.

Testing Tips

- You MAY write on back of pages and margins of test as scratch paper.
- Use a #2 pencil, fill in the bubble on Scantron completely that corresponds with your chosen answer. If you skip a question, be sure to skip the corresponding number on Scantron.
- If the table has a tablecloth, place your Scantron on top of the test booklet before bubbling.
- Mechanical pencils are discouraged for use on Scantron.

About Your Test

- This is a 50-item multiple-choice test. Read each question carefully as there is only one best answer and answer every question. There is no penalty for guessing, so answer all questions.
- Select tests have an essay tiebreaker or tiebreaker questions. Please print clearly. Do not remove the tiebreaker page from the test booklet.
- When you are finished, please follow the directions given to you by your event personnel for returning your test materials and completing the event evaluation.
- There will be a verbal announcement when there are 30, 15, and 10 minutes remaining. You have 60 minutes to complete this test.

Personal Belongings

- Place all of your personal belongings under your chair.
- Cell phones, Smart Devices, & Watches should be in the OFF position, lying face down on the table in front of you. **DO NOT TOUCH** during testing.

HELP

- If you have personal needs once the test has begun, please raise your hand. If you must use the restroom, there is no extra time given for the completion of the test. You may remove your blazer/jacket if needed.

Sample Test Questions

1. The following are expenses that you should be aware of when owning a car EXCEPT:
 - A. Auto insurance
 - B. Back up camera tax
 - C. Vehicle registration
 - D. Gasoline costs
 - E. Emission fees
2. Rates for auto insurance are established by the federal government and companies must adhere to national regulations on what they can charge.
 - A. True
 - B. False
3. Tiffany is in the market to purchase a new car. She has \$1,000 to make as a down payment on a new vehicle. Her current vehicle is worth \$500. The car that she has picked out is selling for \$6,000 plus 7% tax. She was fortunate enough to find a dealership that is offering her a 0% interest rate over 60 months. What would Tiffany's monthly payment be if she used her cash and trade in vehicle and spread out what is left over 60 months?
 - A. \$60
 - B. \$74
 - C. \$82
 - D. \$110
 - E. \$119
4. What is an expense that stays the same from month to month?
 - A. Flexible expenses
 - B. Fixed expenses
 - C. Disposable income
 - D. Government expenses
5. What is the recommended amount of time that is suggested to have saved for an emergency fund?
 - A. 1 year
 - B. 30 days
 - C. 3-6 months
 - D. 26 weeks
 - E. 325 days