


Which of the following is true of people with poor credit histories?

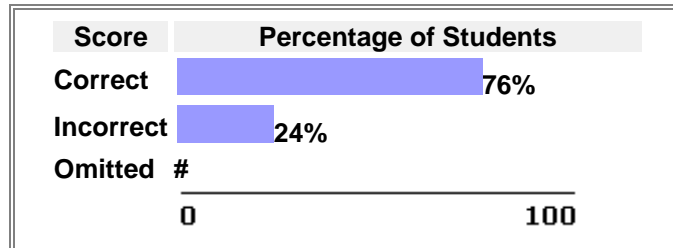
- A) They will earn higher rates of interest on savings accounts than people with good credit histories.
- B) They will earn lower rates of interest on savings accounts than people with good credit histories.
- C) They will be charged higher rates of interest on loans than people with good credit histories.
- D) They will be charged lower rates of interest on loans than people with good credit histories.

Key

Which of the following is true of people with poor credit histories?

- A) They will earn higher rates of interest on savings accounts than people with good credit histories.
- B) They will earn lower rates of interest on savings accounts than people with good credit histories.
-  C) They will be charged higher rates of interest on loans than people with good credit histories.
- D) They will be charged lower rates of interest on loans than people with good credit histories.

2006 National Performance Results



Note:

- These results are for public and nonpublic school students.
- Percentages may not add to 100 due to rounding.

Content Area

The National Economy

Content area includes

- the concepts, terminology, and data used to identify and describe inflation, unemployment, output, and growth;
- the factors that cause changes in those conditions;
- the role of money and interest rates in an economy; and
- the mechanics and the appropriate uses of Federal Reserve monetary policies and federal government fiscal policies.

Economically literate grade 12 students are able to describe how economies use different systems of allocating goods and services and can compare the benefits and the costs of different methods. Students can identify the various economic roles that governments play as providers of goods and services. In addition, economically literate students can

- explain the role of money in an economy and identify interest rates as the prices of borrowing or lending money;
- give examples of situations in which they might pay or receive interest and how they would react to changes in interest rates;
- identify the effects of technological change and investment on gross domestic product;
- explain the function of taxes and how taxes may redistribute income;
- interpret media reports about current economic conditions and explain how these conditions can influence decisions made by consumers, producers, and governments;
- make informed decisions by anticipating the consequences of inflation and unemployment; and
- explain the macroeconomic policies of the federal government and the Federal Reserve System, under what conditions policy decisions are likely to change, and the effects of those changes on themselves and others.

Cognitive Levels

Knowing

Measures students' abilities to identify and recall information and to recognize economic terms and concepts. Questions in the Knowing category asked students to

- recognize and recall information and concepts, and
- interpret data and information to identify events or trends.