1. The accepted standard is to spend __________ of your monthly income, after taxes, on transportation. This includes all car payments, insurance premiums, fuel and maintenance costs.
   a. 20-30%.
   b. 16-23%.
   c. 15-20%.
   d. 50-60%
   e. None of the above.

2. If you plan to drive the same vehicle for the next 8-10 years, you’ll want something __________ and you’ll want to know the car’s __________.
   a. Fast, mileage.
   b. Reliable, history.
   c. Cheap, past owner’s names.
   d. Fuel efficient, miles per gallon.
   e. None of the above.

3. Until you’ve signed on the dotted line, don’t be afraid to walk away from a deal that doesn’t satisfy you.
   a. True.
   b. False.

4. There are four types of insurance coverage you’ll need to consider when choosing car insurance. Those options are bodily injury, personal injury protection, collision and comprehensive coverage, and __________.
   b. Weather and fallen tree protection.
   c. Rental car insurance.
   d. Uninsured motorist.
   e. All of the above.

5. Insurance companies base premium rates on your credit card interest rates.
   a. True.
   b. False.
6. If you get into a situation where your auto loan becomes too much to handle, the first step is to _________.
   a. Communicate with your lender.
   b. Skip this month’s payment and pay double next month.
   c. Pay what you can now and pay the rest later.
   d. Allow the car to be repossessed.
   e. None of the above.

7. Buying a car means you pay the entire cost of the vehicle. Leasing a car means you’ll pay a portion of the vehicle’s cost equal to the time and/or mileage that you use while driving the vehicle.
   a. True.
   b. False.

8. Loan/lease payoff coverage is also known as _________.
   a. Loan/lease insurance.
   b. Payoff coverage insurance.
   c. Damage insurance.
   d. Gap insurance.
   e. None of the above.

9. Insurance costs related to theft and collision may be cheaper for new cars.
   a. True.
   b. False.

10. If interest rates drop or if you’re just not happy with your current financing, you can consider refinancing your auto loan.
    a. True.
    b. False.