

I'm Not Flipping Burgers When I'm 70

Chapter 5 - Grocery Bill Review Questions

- 1) In general do food prices raise or lower year after year?
- 2) What are some examples that cause grocery prices to fluctuate?
- 3) What is the purpose of having a food calendar?
- 4) What is the general plan for the food calendar?
- 5) In what quantities is unit pricing displayed?
- 6) What is a common mistake by consumers when they perceive an item to be lower in cost?
- 7) List three instances of when you made an impulsive purchase? Explain if they were beneficial?
- 8) What is the better buy? List the unit cost: *Ice cream: 1/2 gallon at \$5.55 or 2 gallons at \$21.20*
- 9) What is a major point to consider when choosing a food purchase based on consumption?
- 10) What is the consumption rate based on eating trail mix twice a day in box that contains 24 packages? Define it by purchases per month and per year.
- 11) Understanding food cost based on consumption provides what outcome?
- 12) Why it essential to utilize the food consumption chart and weekly grocery list?
- 13) Why is predicting the cost of the grocery bill challenging each month?

Answer Key

- 1) Not every state requires liability coverage although, the ones that don't may have laws for financial responsibility.
- 2) Bodily injury, all individuals hurt in the same accident and for property damage.
- 3) Auto theft and contents, hail, vandalism, theft, falling objects, chipped/cracked windshield, glass breakage, fire, accident with an animal, water, windstorm/tornado, explosion, floods.
- 4) A policyholder has a policy for \$1 million and is sued for \$500,000, but had \$400,000 in total coverage, the umbrella policy would kick in to help. It may also cover items outside of the auto or homeowner's policies such as bodily injury and personal injury.
- 5) A policyholder owes \$15,000 on a car and it is worth \$24,000. Then in an unfortunate event, it was stolen. When reading the policy, it may say that only \$20,000 is covered, however the remaining \$4,000 is the "gap" and the gap coverage would pay for the remaining \$4,000 and possibly the deductible.
- 4) businesses may offer cheaper rates for the entire billing cycle rather than paying in month to month.
- 5) Every month the expense needs paid for into the Supplemental account by dividing total amount due by the number of pay periods in the payment. For example, a \$312 yearly bill cycle needs to have \$26 saved each month in order to pay the lump sum next year.
- 6) Yes. The insurance companies feel that there is some correlation between one's credit score and the likelihood that the policyholder will file a claim.
- 7) Driving Record and Previous Insurance History.
- 8) Place of Residence.
- 9) The vehicle's rating: Insurers charge more for cars with high claim rates, no matter how good the driving record of the owner is.

Insure all cars and other policies with the same company: This is referred to as a "multi-car discount." Insurers will give a price break when two or more cars covered by the same policy as well as having homeowner's insurance (possibly renter's insurance) with the same company.
- 10) -Good/Safe driver discounts for those with a clean history
-Seat belt discount for those who wear their seatbelt
-Affiliation with certain colleges or universities
-Having an anti-theft system installed on your vehicle
- 11) The insurance company won't pay more to fix a car than it's worth.
- 12) Teenage drivers pay much more in insurance cost than other groups because statistically they have more accidents.