

# Index

## A

accounting equation  
3.2: Accounting and Financial Statements

accrual accounting  
3.2: Accounting and Financial Statements

active management  
13.5: Diversification- Return with Less Risk

actual cash value  
10.2: Insuring Your Property

adjustable life  
10.4: Insuring Your Income

advisory dealing  
13.8: Investing and Trading

ambiguity aversion  
12.2: Investor Behavior

American Depository Receipt (ADR)  
14.2: Stocks and Stock Markets

Anchoring  
12.2: Investor Behavior

angel investor  
14.2: Stocks and Stock Markets

annual percentage rate  
7.3: Your Own Money- Savings

annuity  
4.4: Valuing a Series of Cash Flows

appraisal  
9.3: Identify the Financing

arbitrage  
12.3: Market Behavior

arbitrage opportunities  
12.3: Market Behavior

arbitrageurs  
12.3: Market Behavior

asset allocation  
13.5: Diversification- Return with Less Risk

asset class  
13.4: Measuring Return and Risk

assets  
1.2: Individual or "Micro" Factors That Affect Financial Thinking  
2.1: Introduction

ATM card  
7.2: Your Own Money- Cash

audit  
6.4: Record Keeping, Preparation, and Filing

authorized shares  
14.2: Stocks and Stock Markets

automatic payments  
7.2: Your Own Money- Cash

availability bias  
12.2: Investor Behavior

## B

balance sheet  
3.2: Accounting and Financial Statements

balloon mortgage  
9.3: Identify the Financing

bankruptcy  
3.2: Accounting and Financial Statements

basic insurance  
10.3: Insuring Your Health

basis point  
14.9: Bond Strategies

benchmark  
13.5: Diversification- Return with Less Risk

benchmarks  
13.7: Investment Information

bias  
12.2: Investor Behavior

bodily injury liability  
10.2: Insuring Your Property

bond laddering  
14.9: Bond Strategies

bonds  
13.2: Investment and Markets- A Brief Overview

book value  
14.4: Common Measures of Value

brokers  
8.2: Consumer Purchases  
13.8: Investing and Trading

budget  
5.1: Introduction to Budgets

budget deficit  
2.2: Income and Expenses

budget surplus  
2.2: Income and Expenses

budget variance  
5.5: Budget Variances

business cycle  
1.3: Systemic or "Macro" Factors That Affect Financial Thinking

buyer's remorse  
8.2: Consumer Purchases

buyout option  
8.3: A Major Purchase- Buying a Car

## C

callable  
14.7: Bonds and Bond Markets

capital allocation  
13.5: Diversification- Return with Less Risk

capital budget  
5.3: Creating the Comprehensive Budget

capital gain  
2.3: Assets

capital gains distribution  
14.11: Mutual Funds

capital loss  
2.3: Assets

capital market  
1.3: Systemic or "Macro" Factors That Affect Financial Thinking

capital markets  
7.3: Your Own Money- Savings

cash account  
13.8: Investing and Trading

cash accounting  
3.2: Accounting and Financial Statements

cash flow statement  
3.2: Accounting and Financial Statements

cash flows from financing  
3.2: Accounting and Financial Statements

cash flows from investing  
3.2: Accounting and Financial Statements

cash surrender value  
10.4: Insuring Your Income

cash flow matching  
14.9: Bond Strategies

Certificates of Deposit  
7.3: Your Own Money- Savings

charge card  
7.4: Other People's Money- Credit

checking account  
7.2: Your Own Money- Cash

churning  
13.8: Investing and Trading

closing costs  
9.3: Identify the Financing

coinsurance  
10.3: Insuring Your Health

collision  
10.2: Insuring Your Property

commercial property  
14.12: Real Estate Investments

commodities  
13.2: Investment and Markets- A Brief Overview

common stock  
14.2: Stocks and Stock Markets

comprehensive budget  
5.3: Creating the Comprehensive Budget

comprehensive physical damage  
10.2: Insuring Your Property

condominium  
9.2: Identify the Product and the Market

conservative  
5.2: The Budget Process

consumer price index (CPI)  
1.3: Systemic or "Macro" Factors That Affect Financial Thinking

consumption tax  
6.2: Sources of Taxation and Kinds of Taxes

convertible bond  
14.7: Bonds and Bond Markets

conveyances  
9.4: Purchasing and Owning Your Home

cooperative housing  
9.2: Identify the Product and the Market

cost basis  
6.3: The U.S. Federal Income Tax Process

cost of debt  
2.4: Debt and Equity

cost of equity  
2.4: Debt and Equity

coupon rate  
14.7: Bonds and Bond Markets

coupons  
14.7: Bonds and Bond Markets

covenants  
13.2: Investment and Markets- A Brief Overview  
14.7: Bonds and Bond Markets

credit card  
7.4: Other People's Money- Credit

credit cycle  
7.4: Other People's Money- Credit

credit market  
1.3: Systemic or "Macro" Factors That Affect Financial Thinking

credit rating  
7.4: Other People's Money- Credit

credit score  
7.4: Other People's Money- Credit

credit unions  
7.3: Your Own Money- Savings

creditor

[3.2: Accounting and Financial Statements](#)

cumulative preferred shares

[14.2: Stocks and Stock Markets](#)

currency risk

[13.10: Investing Internationally- Risks and Regulations](#)

current yield (bond)

[14.8: Bond Value](#)

custodial accounts

[13.8: Investing and Trading](#)

## D

day trading

[14.5: Equity Strategies](#)

dealer

[13.8: Investing and Trading](#)

debenture

[14.7: Bonds and Bond Markets](#)

debit card

[7.2: Your Own Money- Cash](#)

debt

[2.4: Debt and Equity](#)

deductibles

[10.3: Insuring Your Health](#)

default risk

[7.4: Other People's Money- Credit](#)

[14.7: Bonds and Bond Markets](#)

deferred coupon bonds

[14.7: Bonds and Bond Markets](#)

defined benefit plan

[11.3: Retirement Planning- Ways to Save](#)

defined contribution

[6.5: Taxes and Financial Planning](#)

defined contribution retirement plans

[11.3: Retirement Planning- Ways to Save](#)

deflation

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

demand deposit

[7.3: Your Own Money- Savings](#)

depression

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

derivatives

[13.2: Investment and Markets- A Brief Overview](#)

direct account

[7.2: Your Own Money- Cash](#)

Direct Investment

[14.5: Equity Strategies](#)

[14.12: Real Estate Investments](#)

disability insurance

[10.4: Insuring Your Income](#)

discount rate

[4.3: Calculating the Relationship of Time and Value](#)

discretionary trading

[13.8: Investing and Trading](#)

disposable income

[3.2: Accounting and Financial Statements](#)

diversification

[2.5: Income and Risk](#)

divestment

[13.3: Investment Planning](#)

dividend

[6.3: The U.S. Federal Income Tax Process](#)

[13.2: Investment and Markets- A Brief Overview](#)

dividend distributions

[14.11: Mutual Funds](#)

dividend payout rate

[14.4: Common Measures of Value](#)

dividend reinvestment

[14.5: Equity Strategies](#)

dividend yield

[14.4: Common Measures of Value](#)

dividends per share

[14.4: Common Measures of Value](#)

down payment

[9.3: Identify the Financing](#)

DPS

[14.4: Common Measures of Value](#)

due diligence

[13.9: Ethics and Regulation](#)

## E

early payment

[9.4: Purchasing and Owning Your Home](#)

early payment penalty

[9.4: Purchasing and Owning Your Home](#)

earnest money

[9.4: Purchasing and Owning Your Home](#)

earnings per shares (EPS)

[14.4: Common Measures of Value](#)

efficient market theory

[12.3: Market Behavior](#)

employment rate

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

endorsements

[10.2: Insuring Your Property](#)

equity

[2.4: Debt and Equity](#)

escrow

[9.4: Purchasing and Owning Your Home](#)

estate

[11.4: Estate Planning](#)

estate taxes

[6.2: Sources of Taxation and Kinds of Taxes](#)

excise tax

[6.2: Sources of Taxation and Kinds of Taxes](#)

executor

[11.4: Estate Planning](#)

executor of a will

[11.4: Estate Planning](#)

expected return

[13.4: Measuring Return and Risk](#)

expected value

[4.6: Evaluating Risk](#)

expense ratio

[14.11: Mutual Funds](#)

expenses

[2.2: Income and Expenses](#)

extended replacement costs

[10.2: Insuring Your Property](#)

## F

face value

[14.7: Bonds and Bond Markets](#)

Federal Employees Retirement System (FERS)

[11.3: Retirement Planning- Ways to Save](#)

financial advisors

[1.5: Financial Planning Professionals](#)

financial engineering

[13.2: Investment and Markets- A Brief Overview](#)

financial planning process

[1.4: The Planning Process](#)

financial ratios

[3.3: Comparing and Analyzing Financial Statements](#)

fixed interest rate

[13.2: Investment and Markets- A Brief Overview](#)

flexible savings account

[10.3: Insuring Your Health](#)

floating interest rate

[13.2: Investment and Markets- A Brief Overview](#)

foreclose

[9.3: Identify the Financing](#)

formularly

[10.3: Insuring Your Health](#)

framing

[12.2: Investor Behavior](#)

free cash flow

[3.2: Accounting and Financial Statements](#)

[5.3: Creating the Comprehensive Budget](#)

fundamental analysis

[12.5: Behavioral Finance and Investment Strategies](#)

future value

[4.3: Calculating the Relationship of Time and Value](#)

## G

general obligation bond

[14.7: Bonds and Bond Markets](#)

go public

[14.2: Stocks and Stock Markets](#)

grace period

[7.4: Other People's Money- Credit](#)

gross domestic product

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

growth stock

[14.3: Stock Value](#)

guaranteed replacement costs

[10.2: Insuring Your Property](#)

## H

health maintenance organization

[10.3: Insuring Your Health](#)

health reimbursement account

[10.3: Insuring Your Health](#)

health savings account

[10.3: Insuring Your Health](#)

holding period yield

[14.8: Bond Value](#)

holographic will

[11.4: Estate Planning](#)

home equity line of credit

[9.3: Identify the Financing](#)

home equity loan

[9.3: Identify the Financing](#)

## I

Identity Theft

[7.4: Other People's Money- Credit](#)

immunization

[14.9: Bond Strategies](#)

income

[2.2: Income and Expenses](#)

income statement

[3.2: Accounting and Financial Statements](#)

independent event

[4.6: Evaluating Risk](#)

index funds

[13.2: Investment and Markets- A Brief Overview](#)

[14.11: Mutual Funds](#)

index of leading economic indicators

[13.7: Investment Information](#)

indexing

[14.5: Equity Strategies](#)

Indirect Investment

[14.12: Real Estate Investments](#)

inflation

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

inflation risk

[14.8: Bond Value](#)

initial public offering (IPO)

[14.2: Stocks and Stock Markets](#)

inside information

[13.9: Ethics and Regulation](#)

insider trading

[13.9: Ethics and Regulation](#)

installment credit

[7.4: Other People's Money- Credit](#)

interest

[2.4: Debt and Equity](#)

interest distributions

[14.11: Mutual Funds](#)

interest rate risk

[7.5: Other People's Money- An Introduction to Debt](#)

[14.8: Bond Value](#)

intermediary

[7.3: Your Own Money- Savings](#)

internal growth rate

[14.4: Common Measures of Value](#)

intestate

[11.4: Estate Planning](#)

investment grade bonds

[14.7: Bonds and Bond Markets](#)

investment policy statements

[13.3: Investment Planning](#)

investor profile

[12.2: Investor Behavior](#)

irrevocable living trust

[11.4: Estate Planning](#)

issue price

[13.2: Investment and Markets- A Brief Overview](#)

## J

junk bonds

[14.7: Bonds and Bond Markets](#)

## K

Keogh Plan

[11.3: Retirement Planning- Ways to Save](#)

## L

labor market

[1.3: Systemic or "Macro" Factors That Affect Financial Thinking](#)

lease

[8.3: A Major Purchase- Buying a Car](#)

Lemon laws

[8.3: A Major Purchase- Buying a Car](#)

Liens

[9.2: Identify the Product and the Market](#)

life cycle investing

[13.5: Diversification- Return with Less Risk](#)

life insurance

[10.4: Insuring Your Income](#)

life stages

[1.2: Individual or "Micro" Factors That Affect Financial Thinking](#)

limit order

[13.8: Investing and Trading](#)

limited partnership

[14.12: Real Estate Investments](#)

line of credit

[5.4: The Cash Budget and Other Specialized Budgets](#)

liquidity

[2.2: Income and Expenses](#)

listed property

[10.2: Insuring Your Property](#)

living trust

[11.4: Estate Planning](#)

living will

[11.4: Estate Planning](#)

load fund

[14.11: Mutual Funds](#)

long position

[13.8: Investing and Trading](#)

loss aversion

[12.2: Investor Behavior](#)

## M

major medical insurance

[10.3: Insuring Your Health](#)

managed care organizations

[10.3: Insuring Your Health](#)

manufacturer's suggested retail price

[8.3: A Major Purchase- Buying a Car](#)

margin account

[13.8: Investing and Trading](#)

margin call

[13.8: Investing and Trading](#)

margin requirement

[13.8: Investing and Trading](#)

market capitalization

[14.2: Stocks and Stock Markets](#)

market order

[13.8: Investing and Trading](#)

market timing

[12.5: Behavioral Finance and Investment Strategies](#)

[13.5: Diversification- Return with Less Risk](#)

matching strategies

[14.9: Bond Strategies](#)

maturity

[13.2: Investment and Markets- A Brief Overview](#)

mediatd

[10.3: Insuring Your Health](#)

medical payment coverage

[10.2: Insuring Your Property](#)

medicare

[10.3: Insuring Your Health](#)

mental accounting

[12.2: Investor Behavior](#)

mobile homes

[9.2: Identify the Product and the Market](#)

money market mutual funds

[7.3: Your Own Money- Savings](#)

money markets

[7.3: Your Own Money- Savings](#)

mortgage amortization

[9.3: Identify the Financing](#)

mortgage bond

[14.7: Bonds and Bond Markets](#)

mortgage factor

[9.3: Identify the Financing](#)

mortgage fund

[9.4: Purchasing and Owning Your Home](#)

municipal bonds

[14.7: Bonds and Bond Markets](#)

mutual fund

[13.2: Investment and Markets- A Brief Overview](#)

## N

negative net worth

[3.2: Accounting and Financial Statements](#)

negligence

[10.2: Insuring Your Property](#)

net asset value (NAV)

[14.11: Mutual Funds](#)

net worth

[3.2: Accounting and Financial Statements](#)

## O

operating budget

[5.3: Creating the Comprehensive Budget](#)

operating cash flows

[3.2: Accounting and Financial Statements](#)

opportunity costs

[2.2: Income and Expenses](#)

options

[13.2: Investment and Markets- A Brief Overview](#)

Overconfidence

[12.2: Investor Behavior](#)

## P

passive management

[13.5: Diversification- Return with Less Risk](#)

payday loan

[7.4: Other People's Money- Credit](#)

payment cap

[9.3: Identify the Financing](#)

Pension Benefit Guaranty Corporation (PBGC)

[11.3: Retirement Planning- Ways to Save](#)

pension plan

[11.3: Retirement Planning- Ways to Save](#)

perpetuity

[4.4: Valuing a Series of Cash Flows](#)

points

[9.3: Identify the Financing](#)

Ponzi schemes

[12.5: Behavioral Finance and Investment Strategies](#)

power of attorney

[11.4: Estate Planning](#)

preferred provider organization

[10.3: Insuring Your Health](#)

preferred stock

[14.2: Stocks and Stock Markets](#)

present value

[4.3: Calculating the Relationship of Time and Value](#)

price discrimination

[8.2: Consumer Purchases](#)

primary market

[14.2: Stocks and Stock Markets](#)

prime rate

7.5: Other People's Money- An Introduction to Debt  
14.7: Bonds and Bond Markets

principal, interest, taxes, and insurance

9.2: Identify the Product and the Market

private equity

14.2: Stocks and Stock Markets

private mortgage insurance

9.3: Identify the Financing

private placement

14.7: Bonds and Bond Markets

pro forma financial statements

4.5: Using Financial Statements to Evaluate  
Financial Choices

probate

11.4: Estate Planning

progressive tax

6.2: Sources of Taxation and Kinds of Taxes

property damage liability

10.2: Insuring Your Property

property transfer tax

9.3: Identify the Financing

prospectus

14.11: Mutual Funds

Prudence

13.9: Ethics and Regulation

purchase and sale agreement

9.4: Purchasing and Owning Your Home

purchasing power

1.3: Systemic or "Macro" Factors That Affect  
Financial Thinking

pyramid scheme

12.5: Behavioral Finance and Investment Strategies

## Q

quantity discount

8.2: Consumer Purchases

## R

rate cap

9.3: Identify the Financing

rate of compounding

4.4: Valuing a Series of Cash Flows

rating agencies

14.7: Bonds and Bond Markets

ratio analysis

3.3: Comparing and Analyzing Financial Statements

real estate investment trust (REIT)

14.12: Real Estate Investments

realtor

9.2: Identify the Product and the Market

recession

1.3: Systemic or "Macro" Factors That Affect  
Financial Thinking

redeemable

13.2: Investment and Markets- A Brief Overview

refinancing

9.4: Purchasing and Owning Your Home

regressive tax

6.2: Sources of Taxation and Kinds of Taxes

reinvestment risk

14.8: Bond Value

replacement cost

10.2: Insuring Your Property

Representativeness

12.2: Investor Behavior

retained earnings

14.4: Common Measures of Value

retention rate

14.4: Common Measures of Value

revenue bond

14.7: Bonds and Bond Markets

reverse mortgage

9.3: Identify the Financing

revocable living trust

11.4: Estate Planning

revolving credit

7.4: Other People's Money- Credit

rider

10.4: Insuring Your Income

risk

2.4: Debt and Equity

risk averse

13.3: Investment Planning

risk tolerance

13.3: Investment Planning

rollover

11.3: Retirement Planning- Ways to Save

Roth IRA

11.3: Retirement Planning- Ways to Save

## S

sales tax

6.2: Sources of Taxation and Kinds of Taxes

savings income match plan for employees  
(SIMPLE)

11.3: Retirement Planning- Ways to Save

scam

8.2: Consumer Purchases

secondary markets

14.2: Stocks and Stock Markets

security selection

13.5: Diversification- Return with Less Risk

senior debts

14.7: Bonds and Bond Markets

short position

13.8: Investing and Trading

simple will

11.4: Estate Planning

simplified employee pension (SEP)

11.3: Retirement Planning- Ways to Save

social security

11.3: Retirement Planning- Ways to Save

socially responsible investment

13.3: Investment Planning

specialized budgets

5.4: The Cash Budget and Other Specialized Budgets

speculative grade bonds

14.7: Bonds and Bond Markets

spread

14.9: Bond Strategies

standard deviation

13.4: Measuring Return and Risk

stated dollar amount will

11.4: Estate Planning

statutory will

11.4: Estate Planning

stock exchange

13.2: Investment and Markets- A Brief Overview

Stocks

13.2: Investment and Markets- A Brief Overview

strict liability

10.2: Insuring Your Property

subordinated debt

14.7: Bonds and Bond Markets

sunk cost

2.2: Income and Expenses

sustainable growth

14.4: Common Measures of Value

syndicate

14.12: Real Estate Investments

## T

tax avoidance

6.4: Record Keeping, Preparation, and Filing

tax brackets

6.2: Sources of Taxation and Kinds of Taxes

tax budget

5.4: The Cash Budget and Other Specialized Budgets

tax evasion

6.4: Record Keeping, Preparation, and Filing

technical analysis

12.5: Behavioral Finance and Investment Strategies

term insurance

10.4: Insuring Your Income

term structure of interest rates

14.8: Bond Value

testamentary trust

11.4: Estate Planning

time deposits

7.3: Your Own Money- Savings

time value of money

4.2: The Time Value of Money

title insurance

9.3: Identify the Financing

title search

9.3: Identify the Financing

Traditional IRA

11.3: Retirement Planning- Ways to Save

traditional marital share will

11.4: Estate Planning

transaction cost

4.2: The Time Value of Money

Treasury bills

14.7: Bonds and Bond Markets

treasury bonds

14.7: Bonds and Bond Markets

Treasury note

14.7: Bonds and Bond Markets

trust

6.3: The U.S. Federal Income Tax Process

11.4: Estate Planning

turnover ratio

14.11: Mutual Funds

## U

umbrella policy

10.2: Insuring Your Property

unemployment rate

1.3: Systemic or "Macro" Factors That Affect  
Financial Thinking

uninsured motorist protection

10.2: Insuring Your Property

universal life

10.4: Insuring Your Income

utility

4.3: Calculating the Relationship of Time and Value

## V

value stock

[14.3: Stock Value](#)

variable life

[10.4: Insuring Your Income](#)

venture capital

[14.2: Stocks and Stock Markets](#)

vesting

[11.3: Retirement Planning- Ways to Save](#)

vicarious liability

[10.2: Insuring Your Property](#)

## W

warranty

[8.3: A Major Purchase- Buying a Car](#)

whole life

[10.4: Insuring Your Income](#)

wills

[11.4: Estate Planning](#)

## Y

yield curve

[14.8: Bond Value](#)

yield to maturity (YTM)

[14.8: Bond Value](#)