

Index

A

accounting equation
3.2: Accounting and Financial Statements
accrual accounting
3.2: Accounting and Financial Statements
active management
12.4: Diversification- Return with Less Risk
actual cash value
10.1: Insuring Your Property
adjustable life
10.3: Insuring Your Income
advisory dealing
14.2: Investing and Trading
ambiguity aversion
13.1: Investor Behavior
American Depository Receipt (ADR)
15.1: Stocks and Stock Markets
Anchoring
13.1: Investor Behavior
angel investor
15.1: Stocks and Stock Markets
annual percentage rate
7.2: Your Own Money- Savings
annuity
4.4: Valuing a Series of Cash Flows
appraisal
9.2: Identify the Financing
arbitrage
13.2: Market Behavior
arbitrage opportunities
13.2: Market Behavior
arbitrageurs
13.2: Market Behavior
asset
25.1: Derivatives and Their Functions
asset allocation
12.4: Diversification- Return with Less Risk
asset bubbles
20.2: Asset Bubbles
asset class
12.3: Measuring Return and Risk
assets
1.2: Individual or "Micro" Factors That Affect Financial Thinking
2.1: Introduction
ATM card
7.1: Your Own Money- Cash
audit
6.3: Record Keeping, Preparation, and Filing
authorized shares
15.1: Stocks and Stock Markets
automatic payments
7.1: Your Own Money- Cash
autonomy
24.4: Central Bank Independence
availability bias
13.1: Investor Behavior

B

Bagehot's/Hamilton's Rule
22.2: The Great Depression as Regulatory Failure

Bailouts
20.5: Bailouts and Resolutions
balance sheet
3.2: Accounting and Financial Statements
balloon mortgage
9.2: Identify the Financing
bankruptcy
3.2: Accounting and Financial Statements
base money
24.1: America's Central Banks
basic insurance
10.2: Insuring Your Health
basis point
16.3: Bond Strategies
benchmark
12.4: Diversification- Return with Less Risk
benchmarks
14.1: Investment Information
best practice
23.3: The Monetary Policy Tools of Other Central Banks
bias
13.1: Investor Behavior
bodily injury liability
10.1: Insuring Your Property
bond laddering
16.3: Bond Strategies
bonds
12.1: Investment and Markets- A Brief Overview
book value
15.3: Common Measures of Value
brokers
8.1: Consumer Purchases
14.2: Investing and Trading
bubble
22.2: The Great Depression as Regulatory Failure
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
bursting
20.3: Financial Panics
business cycle
1.3: Systemic or "Macro" Factors That Affect Financial Thinking
buyer's remorse
8.1: Consumer Purchases
buyout option
8.2: A Major Purchase- Buying a Car

C

callable
16.1: Bonds and Bond Markets
capital allocation
12.4: Diversification- Return with Less Risk
capital budget
5.3: Creating the Comprehensive Budget
capital gain
2.3: Assets
capital gains distribution
17.1: Mutual Funds
capital loss
2.3: Assets
capital market
1.3: Systemic or "Macro" Factors That Affect Financial Thinking
capital markets
7.2: Your Own Money- Savings
cash account
14.2: 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
10.3: Insuring Your Income
cash flow matching
16.3: Bond Strategies
central bank
24.1: America's Central Banks
Certificates of Deposit
7.2: Your Own Money- Savings
ceteris paribus
21.1: The Interest of Interest
charge card
7.3: Other People's Money- Credit
checking account
7.1: Your Own Money- Cash
churning
14.2: Investing and Trading
clearinghouses
22.2: The Great Depression as Regulatory Failure
closing costs
9.2: Identify the Financing
coinsurance
10.2: Insuring Your Health
collateralized mortgage obligations
20.6: The Crisis of 2007-2009
collision
10.1: Insuring Your Property
commercial property
17.2: Real Estate Investments
commodities
12.1: Investment and Markets- A Brief Overview
common stock
15.1: Stocks and Stock Markets
compounding
21.2: Present and Future Value
compounding period
21.2: Present and Future Value
comprehensive budget
5.3: Creating the Comprehensive Budget
comprehensive physical damage
10.1: Insuring Your Property

condominium

[9.1: 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](#)

[18.1: Overview of Purchasing Power Parity \(PPP\)](#)

[18.2: The Consumer Price Index \(CPI\) and PPP](#)

consumption tax

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

convertible bond

[16.1: Bonds and Bond Markets](#)

conveyances

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

cooperative housing

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

corporate governance

[22.5: Basel II, Basel III, and Dodd-Frank](#)

cost basis

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

cost of debt

[2.4: Debt and Equity](#)

cost of equity

[2.4: Debt and Equity](#)

coupon

[21.4: Pricing Debt Instruments](#)

coupon bond

[21.4: Pricing Debt Instruments](#)

coupon rate

[16.1: Bonds and Bond Markets](#)

coupons

[16.1: Bonds and Bond Markets](#)

covenants

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

[16.1: Bonds and Bond Markets](#)

credit card

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

credit crunch

[20.3: Financial Panics](#)

credit cycle

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

credit market

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

credit rating

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

credit score

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

credit unions

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

creditor

[3.2: Accounting and Financial Statements](#)

creditor country

[19.8: International Investment Position](#)

cumulative preferred shares

[15.1: Stocks and Stock Markets](#)

currency risk

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

current account

[19.4: Balance of Payments Accounts- Definitions](#)

current yield

[21.5: What's the Yield on That?](#)

current yield (bond)

[16.2: Bond Value](#)

custodial accounts

[14.2: Investing and Trading](#)

D**day trading**

[15.4: Equity Strategies](#)

dealer

[14.2: Investing and Trading](#)

debenture

[16.1: Bonds and Bond Markets](#)

debit card

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

debt

[2.4: Debt and Equity](#)

debt instrument

[21.4: Pricing Debt Instruments](#)

debtor country

[19.8: International Investment Position](#)

deductibles

[10.2: Insuring Your Health](#)

default risk

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

[16.1: Bonds and Bond Markets](#)

[21.6: Calculating Returns](#)

deferred coupon bonds

[16.1: Bonds and Bond Markets](#)

defined benefit plan

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

defined contribution

[6.4: Taxes and Financial Planning](#)

defined contribution retirement plans

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

deflation

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

demand deposit

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

democracy

[22.1: Market Failures and Public Choice](#)

depression

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

derivatives

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

direct account

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

Direct Investment

[15.4: Equity Strategies](#)

[17.2: Real Estate Investments](#)

disability insurance

[10.3: Insuring Your Income](#)

discount bond

[21.4: Pricing Debt Instruments](#)

discount rate

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

discretionary trading

[14.2: Investing and Trading](#)

disposable income

[3.2: Accounting and Financial Statements](#)

district banks

[24.2: The Federal Reserve System's Structure](#)

diversification

[2.5: Income and Risk](#)

divestment

[12.2: Investment Planning](#)

dividend

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

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

dividend distributions

[17.1: Mutual Funds](#)

dividend payout rate

[15.3: Common Measures of Value](#)

dividend reinvestment

[15.4: Equity Strategies](#)

dividend yield

[15.3: Common Measures of Value](#)

dividends per share

[15.3: Common Measures of Value](#)

dollarization

[24.1: America's Central Banks](#)

down payment

[9.2: Identify the Financing](#)

DPS

[15.3: Common Measures of Value](#)

due diligence

[14.3: Ethics and Regulation](#)

E**early payment**

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

early payment penalty

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

earnest money

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

earnings per shares (EPS)

[15.3: Common Measures of Value](#)

economic growth

[21.1: The Interest of Interest](#)

efficient market theory

[13.2: Market Behavior](#)

employment rate

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

endorsements

[10.1: Insuring Your Property](#)

equity

[2.4: Debt and Equity](#)

escrow

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

estate

[11.3: Estate Planning](#)

estate taxes

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

ex ante

[21.7: Inflation and Interest Rates](#)

ex post

[21.7: Inflation and Interest Rates](#)

excise tax

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

executor

[11.3: Estate Planning](#)

executor of a will

[11.3: Estate Planning](#)

expected return

[12.3: Measuring Return and Risk](#)

expected value

[4.6: Evaluating Risk](#)

expense ratio

17.1: Mutual Funds

expenses

2.2: Income and Expenses

extended replacement costs

10.1: Insuring Your Property

externalities

22.2: The Great Depression as Regulatory Failure

F

face value

16.1: Bonds and Bond Markets

Federal Employees Retirement System (FERS)

11.2: Retirement Planning- Ways to Save

financial account

19.4: Balance of Payments Accounts- Definitions

financial advisors

1.5: Financial Planning Professionals

financial crisis

20.1: Financial Crisis Taxonomies

financial engineer

20.6: The Crisis of 2007-2009

financial engineering

12.1: Investment and Markets- A Brief Overview

financial instruments

25.1: Derivatives and Their Functions

financial panic

20.3: Financial Panics

financial planning process

1.4: The Planning Process

financial ratios

3.3: Comparing and Analyzing Financial Statements

fixed interest rate

12.1: Investment and Markets- A Brief Overview

flexible savings account

10.2: Insuring Your Health

floating interest rate

12.1: Investment and Markets- A Brief Overview

foreclose

9.2: Identify the Financing

formulary

10.2: Insuring Your Health

Fouled Up Beyond All Recognition

22.2: The Great Depression as Regulatory Failure

framing

13.1: Investor Behavior

free cash flow

3.2: Accounting and Financial Statements

5.3: Creating the Comprehensive Budget

fundamental analysis

13.4: Behavioral Finance and Investment Strategies

future value

4.3: Calculating the Relationship of Time and Value

21.1: The Interest of Interest

G

general obligation bond

16.1: Bonds and Bond Markets

go public

15.1: Stocks and Stock Markets

grace period

7.3: Other People's Money- Credit

gross domestic product

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

19.1: National Income and Product Accounts

gross national product

19.1: National Income and Product Accounts

growth stock

15.2: Stock Value

guaranteed replacement costs

10.1: Insuring Your Property

H

health maintenance organization

10.2: Insuring Your Health

health reimbursement account

10.2: Insuring Your Health

health savings account

10.2: Insuring Your Health

holding period yield

16.2: Bond Value

holographic will

11.3: Estate Planning

home equity line of credit

9.2: Identify the Financing

home equity loan

9.2: Identify the Financing

I

Identity Theft

7.3: Other People's Money- Credit

immunization

16.3: Bond Strategies

income

2.2: Income and Expenses

income statement

3.2: Accounting and Financial Statements

independence

24.4: Central Bank Independence

independent event

4.6: Evaluating Risk

index funds

12.1: Investment and Markets- A Brief Overview

17.1: Mutual Funds

index of leading economic indicators

14.1: Investment Information

indexing

15.4: Equity Strategies

Indirect Investment

17.2: Real Estate Investments

inflation

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

21.2: Present and Future Value

inflation risk

16.2: Bond Value

initial public offering (IPO)

15.1: Stocks and Stock Markets

inside information

14.3: Ethics and Regulation

insider trading

14.3: Ethics and Regulation

installment credit

7.3: Other People's Money- Credit

interest

2.4: Debt and Equity

21.1: The Interest of Interest

interest distributions

17.1: Mutual Funds

interest rate

21.2: Present and Future Value

interest rate risk

7.4: Other People's Money- An Introduction to Debt

16.2: Bond Value

21.6: Calculating Returns

interest rates

21.1: The Interest of Interest

intermediary

7.2: Your Own Money- Savings

internal growth rate

15.3: Common Measures of Value

international investment position

19.8: International Investment Position

intestate

11.3: Estate Planning

investment grade bonds

16.1: Bonds and Bond Markets

investment policy statements

12.2: Investment Planning

investor profile

13.1: Investor Behavior

irrevocable living trust

11.3: Estate Planning

issue price

12.1: Investment and Markets- A Brief Overview

J

junk bonds

16.1: Bonds and Bond Markets

K

Keogh Plan

11.2: Retirement Planning- Ways to Save

L

labor market

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

lease

8.2: A Major Purchase- Buying a Car

Lemon laws

8.2: A Major Purchase- Buying a Car

lender of last resort

22.2: The Great Depression as Regulatory Failure

LIBOR

25.3: Options and Swaps

Liens

9.1: Identify the Product and the Market

life cycle investing

12.4: Diversification- Return with Less Risk

life insurance

10.3: Insuring Your Income

life stages

1.2: Individual or "Micro" Factors That Affect Financial Thinking

limit order

14.2: Investing and Trading

limited partnership

17.2: Real Estate Investments

line of credit

5.4: The Cash Budget and Other Specialized Budgets

liquidity

2.2: Income and Expenses

listed property

10.1: Insuring Your Property

living trust

11.3: Estate Planning

living will

11.3: Estate Planning

load fund

17.1: Mutual Funds

lobbying

22.1: Market Failures and Public Choice

long position

14.2: Investing and Trading

loophole mining

22.1: Market Failures and Public Choice

loss aversion

13.1: Investor Behavior

M

major medical insurance

10.2: Insuring Your Health

make a market

23.2: Open Market Operations and the Discount Window

managed care organizations

10.2: Insuring Your Health

manufacturer's suggested retail price

8.2: A Major Purchase- Buying a Car

margin account

14.2: Investing and Trading

25.2: Forwards and Futures

margin call

14.2: Investing and Trading

margin requirement

14.2: Investing and Trading

marginal propensity to consume

19.7: The Twin-Deficit Identity

market capitalization

15.1: Stocks and Stock Markets

market failures

22.1: Market Failures and Public Choice

market order

14.2: Investing and Trading

market timing

12.4: Diversification- Return with Less Risk

13.4: Behavioral Finance and Investment Strategies

matching strategies

16.3: Bond Strategies

maturity

12.1: Investment and Markets- A Brief Overview

mediatid

10.2: Insuring Your Health

medical payment coverage

10.1: Insuring Your Property

medicare

10.2: Insuring Your Health

mental accounting

13.1: Investor Behavior

mobile homes

9.1: Identify the Product and the Market

money market mutual funds

7.2: Your Own Money- Savings

money markets

7.2: Your Own Money- Savings

mortgage amortization

9.2: Identify the Financing

mortgage bond

16.1: Bonds and Bond Markets

mortgage factor

9.2: Identify the Financing

mortgage fund

9.3: Purchasing and Owning Your Home

municipal bonds

16.1: Bonds and Bond Markets

mutual fund

12.1: Investment and Markets- A Brief Overview

N

negative bubble

20.3: Financial Panics

negative equity

20.5: Bailouts and Resolutions

negative net worth

3.2: Accounting and Financial Statements

negligence

10.1: Insuring Your Property

net asset value (NAV)

17.1: Mutual Funds

net worth

3.2: Accounting and Financial Statements

nonsystemic crisis

20.1: Financial Crisis Taxonomies

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

12.1: Investment and Markets- A Brief Overview

Overconfidence

13.1: Investor Behavior

P

passive management

12.4: Diversification- Return with Less Risk

payday loan

7.3: Other People's Money- Credit

payment cap

9.2: Identify the Financing

Pension Benefit Guaranty Corporation (PBGC)

11.2: Retirement Planning- Ways to Save

pension plan

11.2: Retirement Planning- Ways to Save

perpetuity

4.4: Valuing a Series of Cash Flows

points

9.2: Identify the Financing

Ponzi schemes

13.4: Behavioral Finance and Investment Strategies

power of attorney

11.3: Estate Planning

PPP exchange rate

18.1: Overview of Purchasing Power Parity (PPP)

predatory government

22.1: Market Failures and Public Choice

preferred provider organization

10.2: Insuring Your Health

preferred stock

15.1: Stocks and Stock Markets

present value

4.3: Calculating the Relationship of Time and Value

21.1: The Interest of Interest

price discrimination

8.1: Consumer Purchases

primary market

15.1: Stocks and Stock Markets

prime rate

7.4: Other People's Money- An Introduction to Debt

16.1: Bonds and Bond Markets

principal, interest, taxes, and insurance

9.1: Identify the Product and the Market

private equity

15.1: Stocks and Stock Markets

private interest model

22.1: Market Failures and Public Choice

private mortgage insurance

9.2: Identify the Financing

private placement

16.1: Bonds and Bond Markets

pro forma financial statements

4.5: Using Financial Statements to Evaluate Financial Choices

probate

11.3: Estate Planning

progressive tax

6.1: Sources of Taxation and Kinds of Taxes

property damage liability

10.1: Insuring Your Property

property transfer tax

9.2: Identify the Financing

prospectus

17.1: Mutual Funds

Prudence

14.3: Ethics and Regulation

public choice

22.1: Market Failures and Public Choice

public interest model

22.1: Market Failures and Public Choice

purchase and sale agreement

9.3: Purchasing and Owning Your Home

purchasing power

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

purchasing power parity (PPP)

18.1: Overview of Purchasing Power Parity (PPP)

purpose vehicle

23.2: Open Market Operations and the Discount Window

pyramid scheme

13.4: Behavioral Finance and Investment Strategies

Q

quantity discount

8.1: Consumer Purchases

R

rate cap

9.2: Identify the Financing

rate of compounding

4.4: Valuing a Series of Cash Flows

rating agencies

16.1: Bonds and Bond Markets

ratio analysis

3.3: Comparing and Analyzing Financial Statements

real estate investment trust (REIT)

17.2: Real Estate Investments

real interest rate

21.2: Present and Future Value

realtor

9.1: Identify the Product and the Market

recession

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

redeemable

12.1: Investment and Markets- A Brief Overview

refinancing

9.3: Purchasing and Owning Your Home

regressive tax

6.1: Sources of Taxation and Kinds of Taxes

regulatory forbearance

22.3: The Savings and Loan Regulatory Debacle

reinvestment risk

16.2: Bond Value

relative PPP theory

18.4: Problems and Extensions of PPP

replacement cost

10.1: Insuring Your Property

Representativeness

13.1: Investor Behavior

resolution plans

20.6: The Crisis of 2007-2009

retained earnings

15.3: Common Measures of Value

retention rate

15.3: Common Measures of Value

return

21.6: Calculating Returns

return volatility

25.1: Derivatives and Their Functions

revenue bond

16.1: Bonds and Bond Markets

reverse mortgage

9.2: Identify the Financing

revocable living trust

11.3: Estate Planning

revolving credit

7.3: Other People's Money- Credit

rider

10.3: Insuring Your Income

risk

2.4: Debt and Equity

risk averse

12.2: Investment Planning

risk tolerance

12.2: Investment Planning

rollover

11.2: Retirement Planning- Ways to Save

Roth IRA

11.2: Retirement Planning- Ways to Save

S

sales tax

6.1: Sources of Taxation and Kinds of Taxes

savings income match plan for employees (SIMPLE)

11.2: Retirement Planning- Ways to Save

scam

8.1: Consumer Purchases

secondary markets

15.1: Stocks and Stock Markets

security selection

12.4: Diversification- Return with Less Risk

senior debts

16.1: Bonds and Bond Markets

shocks

20.1: Financial Crisis Taxonomies

short position

14.2: Investing and Trading

simple loan

21.4: Pricing Debt Instruments

simple will

11.3: Estate Planning

simplified employee pension (SEP)

11.2: Retirement Planning- Ways to Save

social security

11.2: Retirement Planning- Ways to Save

socially responsible investment

12.2: Investment Planning

specialized budgets

5.4: The Cash Budget and Other Specialized Budgets

speculative grade bonds

16.1: Bonds and Bond Markets

spread

16.3: Bond Strategies

standard deviation

12.3: Measuring Return and Risk

stated dollar amount will

11.3: Estate Planning

statutory will

11.3: Estate Planning

stock exchange

12.1: Investment and Markets- A Brief Overview

Stocks

12.1: Investment and Markets- A Brief Overview

strict liability

10.1: Insuring Your Property

subordinated debt

16.1: Bonds and Bond Markets

subprime mortgages

20.6: The Crisis of 2007-2009

sunk cost

2.2: Income and Expenses

sustainable growth

15.3: Common Measures of Value

syndicate

17.2: Real Estate Investments

systemic crisis

20.1: Financial Crisis Taxonomies

T

tax avoidance

6.3: Record Keeping, Preparation, and Filing

tax brackets

6.1: Sources of Taxation and Kinds of Taxes

tax budget

5.4: The Cash Budget and Other Specialized Budgets

tax evasion

6.3: Record Keeping, Preparation, and Filing

technical analysis

13.4: Behavioral Finance and Investment Strategies

term insurance

10.3: Insuring Your Income

term structure of interest rates

16.2: Bond Value

testamentary trust

11.3: Estate Planning

time deposits

7.2: Your Own Money- Savings

time value of money

4.2: The Time Value of Money

title insurance

9.2: Identify the Financing

title search

9.2: Identify the Financing

Traditional IRA

11.2: Retirement Planning- Ways to Save

traditional marital share will

11.3: Estate Planning

tranches

20.6: The Crisis of 2007-2009

transaction cost

4.2: The Time Value of Money

Treasury bills

16.1: Bonds and Bond Markets

treasury bonds

16.1: Bonds and Bond Markets

Treasury note

16.1: Bonds and Bond Markets

trust

6.2: The U.S. Federal Income Tax Process

11.3: Estate Planning

turnover ratio

17.1: Mutual Funds

U

umbrella policy

10.1: Insuring Your Property

unemployment rate

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

uninsured motorist protection

10.1: Insuring Your Property

unintended consequences

22.1: Market Failures and Public Choice

universal life

10.3: Insuring Your Income

utility

4.3: Calculating the Relationship of Time and Value

V

value stock

[15.2: Stock Value](#)

variable life

[10.3: Insuring Your Income](#)

venture capital

[15.1: Stocks and Stock Markets](#)

vesting

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

vicarious liability

[10.1: Insuring Your Property](#)

W

warranty

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

whole life

[10.3: Insuring Your Income](#)

wills

[11.3: Estate Planning](#)

Y

yield curve

[16.2: Bond Value](#)

yield to maturity (YTM)

[16.2: Bond Value](#)

[21.1: The Interest of Interest](#)

Z

zero

[21.4: Pricing Debt Instruments](#)

zero coupon bond

[21.4: Pricing Debt Instruments](#)