**Pay Yourself First** (ELL 5 Reading Practice Test)

 Tim and Ann owned an ‘89, four-door Ford. They had driven it 140,000 miles. It was a good car that had served them well. Tim and Ann had taken good care of it.  They had the oil changed every three to four months. They had made repairs on a timely basis. They kept both the inside and outside of the car clean.

     Unfortunately, cars don’t last forever. The Ford had gotten rusty and was leaking some oil. At their most recent visit to the mechanic, Tim and Ann were told to expect no more than 20,000 miles from the car, which would mean they could drive it about 15 more months. It was soon time to buy a new car.

     A new car meant a new money goal. Tim and Ann were not used to making a car payment. They needed to start saving. They had heard of “paying yourself first” and thought they would give it a try. Before paying any of their other bills, they paid themselves first.  It was a regular part of their budget.

     They paid themselves $50 each pay period. That was $100 a month!  They opened a savings account for their car fund. Putting their money in a savings account would earn them interest on their money. It was also a safe place to keep their savings.

     Tim and Ann were surprised at how good it felt to be working toward their goal.  By saving a planned amount of money each month, they would be ready to make a down payment on a new car when their old one died. Plus, they didn’t even miss the money they were saving!

1. Tim and Ann did not change their car’s oil often enough. T F
2. Their car would likely last 160,000 miles. T F

` 3. They took out a loan and had to pay the bank $100 per month. T F

4 4. They saved $100 per month in their savings account. T F

 5. Pay yourself first” means getting a job where you are self-employed. T F

6. 6. Which of the following would be a good title for this reading?

 A. Old Cars Don’t Last Forever

 B. Opening a Savings Account

 C. How to Save Money

7. Why do Tim and Ann need a new car?

 A. Their old car won’t last much longer.

 B. It was a bad car with a lot of problems.

 C. They wanted a new car that wasn’t expensive.

 D. They don’t want to take the bus.

 8. With which of the following statements would the author likely agree:

 A. Loans from banks are bad.

 B. Saving a little money each month is a good habit.

 C. Riding the bus is less problematic than owning a car.

 D. You should buy a new car no matter what your income is.

9 9. Which of the following best explains the “pay yourself first” savings plan:

 A. Take some money from your paycheck right away and save it.

 B. Save any money leftover at the end of the month in a savings account.

 C. Get an extra job to help you meet your savings goals.

 D. Make sure to pay your bills.

10. 10. Which of the following was *not* a problem Tim and Ann’s car had:

 A. It was dirty.

 B. It was leaking oil.

 C. It was rusty.

 D. It had 140,000 miles on it.

11. From the story, you can infer that their pay period is….

 A. every month

 B. every week

 C. every weekend

 D. every two weeks

12. If they save $100 each month for a down payment, how much would they have when their

mechanic suggested they would have to buy a new car?

1. $1500
2. $1000
3. $100 a month
4. $15,000

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