

7. Mindy is grateful to have an employer-sponsored retirement account that is worth \$10,000. She knows this is an asset, but doesn't know if it should be recorded as a monetary, tangible, or investment asset. How should she record this asset?

8. After completing her Statement of Financial Position, Mindy finds that she has a net worth of \$40,000. She doesn't quite understand how she can have a net worth of \$40,000 if she earns \$50,000 per year at her job. How would you explain net worth vs. income to Mandy?

Directions: Answer the following questions using complete sentences.

9. What is the purpose of a Statement of Financial Position? (1 point)

10. Describe the difference between monetary assets and tangible assets. (2 points)

11. Why is the market value, instead of the purchase value, of assets listed on the Statement of Financial Position? (2 points)

12. Why is net worth compared to a financial thermometer? (1 point)

13. How can you increase net worth? (1 point)