

Statement of Financial Position Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Statement of Financial Position for:		
Date:		
Assets		
Monetary assets		
Cash on hand		
Value of checking account and savings account		
Other:		
Subtotal of monetary assets		\$
Tangible Assets		
Market value of home		
Market value of household furnishings		
Market value of automobile		
Market value of electronics		
Market value of clothing		
Other:		
Subtotal of tangible assets		\$
Investment Assets		
Value of investments		
Other:		
Subtotal of investment assets		\$
Total Assets		\$
Liabilities		
Home mortgage balance		
Installment loan balance for automobile		
Student loan balance		
Credit card balance		
Money owed to others		
Other:		
Total Liabilities		\$
Net Worth = Total Assets - Total Liabilities		\$

What is **net worth**?

What is **wealth**?

What is the **Statement of Financial Position**?

Circle where assets are located on the Statement of Financial Position. What is an **asset**?

Place a star next to where monetary assets are located on the Statement of Financial Position. What is a **monetary asset**?

Place a star ★ next to where tangible assets are located on the Statement of Financial Position. What is a **tangible asset**?

Place a star next to where investment assets are located on the Statement of Financial Position. What is an **investment asset**?

Circle where liabilities are located on the Statement of Financial Position. What is a **liability**?

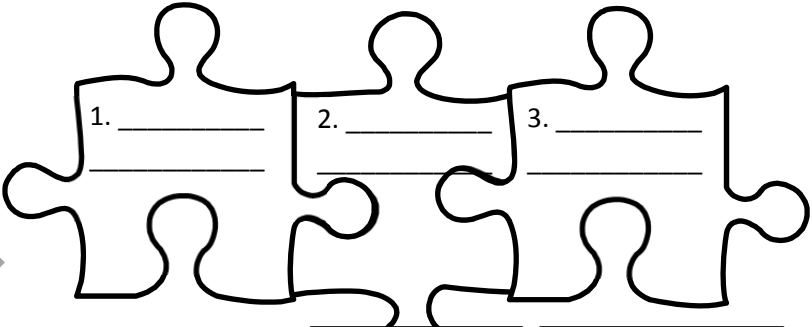
Circle where net worth is located on the Statement of Financial Position. How is net worth calculated?

Net Worth

How can you increase net worth?

What three money management tools work together to help you manage your money, and therefore, increase net worth?

Why should you keep your net worth in mind when making financial decisions?



What is my financial position
_____?

How have I managed my money in the
_____?

What is my

money management plan?

The Statement of Financial Position

How often is it recommended to create a Statement of Financial Position?



What are the benefits of writing down a Statement of Financial Position versus only "thinking" about it?

Tori's Statement of Financial Position

	Total Points Earned
26	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Step One:

Tori is considering purchasing a new pre-owned car. In order to help make a decision she would like to know her net worth. Use the information provided in the table below to create a Statement of Financial Position for Tori. (10 points for completion)

Tori is 21 years old	Completing training to be a radiology technician and has one semester left
Works part-time to earn \$13,000 per year	Owes \$5,000 in student loans that helped pay for her training
Owens a car that runs fine but would like an upgrade	Used a website to determine the market value of her current car is \$3000
Has \$1,000 in her checking account	Keeps \$20 in cash in her wallet at all times
Keeps \$2,000 in her savings account for emergencies	Rents a one bedroom apartment and owns \$1,000 worth of furniture and other household supplies
Bought a laptop computer when she started school but estimates that it is only worth \$200	Loves to shop and estimates that she owns \$1,500 worth of clothes and shoes
Invests \$20 per month into a retirement account that is currently worth \$500	

Step Two:

Tori would like to trade in her car for a new pre-owned car priced at \$12,000. She would receive \$2,000 trade-in value on her car making the purchase price of the new car \$10,000. She will use \$1,000 from her emergency savings and apply for a loan for the remaining \$9,000. Create a new Statement of Financial Position for Tori if she were to purchase the new car. (10 points for completion)

Step Three:

Use Tori's Statements of Financial Position to answer the questions below.

1. What is Tori's current net worth? (1 point)
2. What would her net worth be if she purchased the new car today? (1 point)
3. Based upon Tori's Statements of Financial Position, would you recommend that she purchase the new car? Why or why not? Make sure to consider what trade-offs she will have to make with both options. (2 points)
4. How could Tori increase her current net worth? (1 point)
5. Tori has chosen to use student loans to help her pay for training to become a radiology technician. This has lowered her current net worth, but what impact may it have on her future net worth? (1 point)

	Current:	If she purchased a new car:
Statement of Financial Position for: Tori		
Date:		
Assets		
Monetary assets		
Cash on hand		
Value of checking account		
Value of savings account		
Other:		
<i>Subtotal of monetary assets</i>	\$	
Tangible Assets		
Market value of home		
Market value of household furnishings		
Market value of automobile		
Market value of electronics		
Market value of clothing		
Market value of jewelry		
Market value of sporting goods		
Other:		
<i>Subtotal of tangible assets</i>	\$	
Investment Assets		
Value of investments		
Other:		
<i>Subtotal of investment assets</i>	\$	
Total Assets	\$	
Liabilities		
Home mortgage balance		
Loan balance for automobile		
Student loan balance		
Personal loan balance		
Credit card balance		
Money owed to others		
Other:		
Total Liabilities	\$	
Net Worth = Total Assets - Total Liabilities	\$	