

Palma High School
Economics/(H)
Summer Reading Test 2007

Directions. Answer the following questions utilizing information from your two summer reading books, *The Millionaire Next Door* and *Rich Dad, Poor Dad*. Answer each question **COMPLETELY**.

1. Mr. John Smith has an annual household income of \$45,000. Mr. Smith is 28 years old. What is Mr. Smith's "Expected Level of Net worth"? If Mr. Smith were considered a "PAW", what would be his minimum "Level of Net worth"? Show your work on this question. I want to see how you arrived at your answer.
2. Explain why wealthy people often choose not to purchase expensive cars. How would "Rich Dad" purchase an expensive car?
3. In the book *Rich Dad, Poor Dad*, explain what Robert Kiyosaki means by the expression, "Mind your own business". Provide an example. How is this related to Drs. Stanley and Danko's findings about how wealthy people allocate their time, energy, and money? Use an example in your response.
4. In one paragraph briefly outline a "first-steps" plan for how you could become a PAW.