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1.Explain what amortization is and how a down payment and loan duration impact it.
-The amortization is the paying off of debt with a fixed repayment schedule in regular installments over a period of time. Down payment impact the amortization inversely.For example, if down payment is higher the amortization will lower.Similarly with down payment, when the loan duration is higher, the amortization is lower.

2.What is the importance of health insurance and disability insurance in personal financial planning?
-The importance of these insurance is we can plan the amount of money that we spend to these insurance for sure but if we have no these insurance we cannot know that what is the cost of medicine when we have a health problem how large it is going to be and when we become disability person that have no income so these insurance can cover the unestimated cost that we cannot plan about it.

3.What is life insurance? What is its purpose and principle?
-Life insurance is the contact that the purchaser will receive a amount of the money from the company that sell the insurance after the death of them the company will pay the money for their relative or the person that the purchaser want to. The purpose of this insurance is to protect the people that depends on them from the losses of financial from their death. The principle of life insurance is mortality,interest and expense.

4.Joe and Jane are both 35 years old. Although they graduated from college almost 15 years ago, they have never developed a diversified investment program. What extra money they had was invested in high-tech stocks that did quite well. Then, with the economic downturn, they encountered major losses. How could asset allocation have reduced the dollar amounts of the Joe's and Jane's losses?
-The high-tech stocks is high-risk high-return stocks when they face the losses, it is major losses. The asset allocation or diversification investment is the way that spread the risk into many basket not bring the all of the risks in one basket so when they face losses, they not losses all but they just losses in one of many basket. For example, if they invest 1,000 in a basket and it loss for 20% that mean they lost 200 But if the invest 500 in first basket and 500 in another basket when the first basket losses 20%, they losses only 100.