

Teacher:

1.5 hours

Name: \_\_\_\_\_  $\left[ \frac{28 \text{ KU}}{\quad} \right]$   $\left[ \frac{33 \text{ AP}}{\quad} \right]$   $\left[ \frac{8 \text{ CM}}{\quad} \right]$ 

\*1. Scientific Calculators and Summary Booklets, approved by your teacher, may be used.

\*2. Answer all questions on the exam paper. The clarity and correctness of your answers will determine the final mark on this exam.

\*3. Marks are categorized using the following abbreviations: KU - Knowledge &amp; Understanding; AP - Application; PS - Problem Solving; CM - Communication.

**Part A: Multiple Choice (Time Guide 15 min.) (10 KU Marks)**

Determine the correct answer and then shade one of the letters to the right of each question.

- Which of the following is **NOT** a typical payroll deduction?
  - pension plan
  - income tax
  - union dues
  - car insurance
 (a) (b) (c) (d)
- To find the amount of **PST** (Provincial Sales Tax) on a sweater for \$24.99,
  - add 8%.
  - multiply by 0.08.
  - add 7%.
  - multiply by 15%.
 (a) (b) (c) (d)
- Which two items are the **most important** for filing a personal income tax return?
  - tax form and T4 slip
  - tax form and tuition statement
  - T4 slip and union dues
  - child care costs and a Tax Guide
 (a) (b) (c) (d)
- Which agency will **NOT help** complete a personal income tax return?
  - bank
  - accountant
  - H&R Block
  - federal government
 (a) (b) (c) (d)
- Which item is taxed at **15%**?
  - gasoline
  - children's shoes
  - school supplies
  - tobacco
 (a) (b) (c) (d)
- Michelle bought some clothing from a US-based web site that cost **\$256.99 US**. What is the cost, in Canadian dollars, at an exchange rate of **\$1 US = \$1.625 Cdn**?
  - \$411.18
  - \$158.15
  - \$160.62
  - \$417.61
 (a) (b) (c) (d)
- The type of interest that would give you the **most** for an investment would be
  - 9% compounded **annually**
  - 9% **simple** interest
  - 9% compounded **quarterly**
  - 9% compounded **monthly**
 (a) (b) (c) (d)
- Which of the following is **NOT** considered an **investment** opportunity?
  - stocks
  - bonds
  - car
  - house
 (a) (b) (c) (d)
- Which of the following is a **disadvantage** of borrowing?
  - finance charge
  - immediate delivery
  - time to pay
  - taxes to pay
 (a) (b) (c) (d)
- Which of the following is considered a **fixed cost** of owning a vehicle?
  - fuel
  - parking & tolls
  - licencing
  - maintenance
 (a) (b) (c) (d)

Part B: Short Answer

(Time Guide 35 min.)

(9 KU & 21 AP Marks)

Show your work in the space provided and then write the final answer on the line at the right.

1. Michelle is paid \$220 weekly and a commission of 2.8% on sales. Last month her sales were \$9500. What was her **gross pay** for the **month**?

/3AP

\_\_\_\_\_

2. Chris is paid \$7.40/h and time-and-a-half for overtime. Last week he worked 40 regular hours and 12 overtime hours. This week he has worked only 35 regular hours. What will his **gross pay** be for these **two weeks**?

/3AP

\_\_\_\_\_

3. Peter's gross pay for this week is \$450. His deductions are \$84.35 for income tax, \$7.12 for CPP, and \$14.55 for Employment Insurance. He also pays \$4.10 for extra medical/dental coverage. What is Peter's **net pay** for the week?

/2AP

\_\_\_\_\_

4. Amanda buys a new bike with a sticker price of \$295. She has the option of paying \$100 as a down payment and then \$59.05/month for 5 months. Calculate the following.

/3AP

- a) the Cash Price (including 15% taxes)
- b) the Instalment Price
- c) the Finance Charge

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. James is interested in buying a CD player that regularly sells for \$249 but is on sale for 25% off. What is the **total price** that James pays, including 15% for taxes?

/3AP

\_\_\_\_\_

6. Determine the Unit Price in ¢/mL. Which sized bottle is the **cheaper buy** for Karla's favourite liquid laundry detergent?

- a) a 3400mL bottle for \_\_\_\_\_
- b) a 5.8 Litre bottle for \_\_\_\_\_

for \$3.95

for \$6.59

/3KU

\_\_\_\_\_

7. Shawn borrows \$400 from his brother to buy a computer. Shawn agrees to pay back the \$400 plus 5% simple interest in 3 years. How much *interest* does Shawn pay to his brother?

/2KU

\_\_\_\_\_

8. Justin borrows money from his aunt to buy a stereo. He must pay back \$780, which includes \$68 of interest. How much *principal* did he borrow?

/1KU

\_\_\_\_\_

9. Raymond invests \$2500 for 4 years in an account that pays interest at 6.5% compounded *semi-annually*. What is the *amount* of his investment?

/3KU

\_\_\_\_\_

10. Candiss estimates that she drives 16 500 km each year. Her car has a fuel consumption rating of 5.9L/100km. Last year the average cost of fuel was \$0.78/L. What was Candiss's *total cost of fuel* last year?

/2AP

\_\_\_\_\_

11. Karla estimates that this year she will need to take her car in 4 times for a lube/oil/filter that will cost \$19.95(including taxes) per service and once for a brake inspection that will cost \$56.70(including taxes). Also, she will have to pay a vehicle licence plate renewal fee of \$74 and \$109 per month for insurance. What will Karla's *total operating cost* be for this year?

/3AP

\_\_\_\_\_

12. Shawn wants to trade in his truck. When Shawn bought the truck last year, it had a value of \$14 495. He knows that it depreciates by 22% each year. What *trade-in value* can he expect to get?

/2AP

\_\_\_\_\_

Part C: Fill in the Blank (Time Guide 20 min.) (12 AP & 9 KU Marks)

For each scenario, fill in the blanks for the TVM Solver to the right. Fill in a question mark (?) to show what you must solve for.

- Raymond wants to buy a new car that has a total purchase price of \$12 500. He has saved \$1000, which he will use as a down payment for his new car. He has negotiated a 4 year loan at 6.7% compounded monthly.

Raymond needs to know what his monthly payment will be.

N =
I% =
PV =
PMT =
FV =
P/Y =
C/Y =

- Karla has completed a monthly budget and knows that she can afford to have a car payment of \$260 each month. She has negotiated a 3 year loan at 5.2% compounded monthly.

Before Karla goes shopping, she needs to know how much she can afford as the purchase value of her car.

N =
I% =
PV =
PMT =
FV =
P/Y =
C/Y =

- Amanda has decided to start saving for her retirement. She decides to save \$750 each year and invest it in an RRSP that pays interest at 12% compounded annually. She invests in her RRSP each year, faithfully, for 35 years.

Amanda would like to know the future value of her RRSP.

N =
I% =
PV =
PMT =
FV =
P/Y =
C/Y =

Fill-in the blanks to complete each statement.

- The first step in financial planning is to \_\_\_\_\_.
- An advantage of piecework pay is \_\_\_\_\_.
- Buying on an instalment plan means \_\_\_\_\_.
- To reduce the number of coins you get for change you should \_\_\_\_\_.
- Three types of transactions that are available at automated teller machines are \_\_\_\_\_.

- With compound interest you earn interest on \_\_\_\_\_.
- Smart investors change their \_\_\_\_\_ at different stages of their lives.
- Stocks are called equity securities because you are \_\_\_\_\_.
- Three factors that affect the amount you are charged for car insurance are \_\_\_\_\_.

Part D: Discussion (Time Guide 10 min.) (8 CM Marks)

Chris's monthly budget is listed below. Examine his budget and then comment on it by answering the following questions.

<b>TOTAL INCOME</b>	<b>\$1250</b>
<b>Fixed Expenses</b>	
Savings	\$ 50
Rent	\$ 450
Utilities	\$ 80
<b>Flexible Expenses</b>	
Bus Fare	\$ 35
Food	\$ 200
Clothing	\$ 0
Phone	\$ 120
Entertainment	\$ 230
Miscellaneous	\$ 45
<b>TOTAL EXPENSES</b>	<b>\$1210</b>
<b>EXTRA (Discretionary)</b>	<b>\$ 40</b>

1. What improvements would you suggest Chris make to his budget? Explain why.

/3CM

2. Chris wants to buy a Big-Screen TV, a new computer, and a car.

/5CM

a) List these items in the order he should purchase them and give an approximate time-line.

b) Suggest how Chris should alter his budget so that he may afford each of these items.