

BA SANGAM COLLEGE
HOME BASED EDUCATIONAL SUPPORT
YEAR 9
Commercial Studies

Topic: Personal Finance

Question 1

Briefly explain the following terms listed below:

- * opportunity cost
- * Living within our means
- * Purchasing power
- * Inflation

Question 2

1. For each statement given below, **identify** the correct **quality of money**:
 - a. Money is limited in supply:
 - b. Identical units have identical values
 - c. Easily divided into smaller parts
2. State **two ways of paying** for goods and services.
3. Differentiate between **consumer** and **producer**.
4. All consumers have the **right to redress**. Explain this right.
5. Describe **two ways of spending income wisely**.

Question 3

Use the extract given below and your knowledge to answer the questions that follow.

Each transaction you complete with the bank can be found on a document as an evidence of your deposits or withdrawals made. The most common document is bank statement. You should always check your bank statement for your savings accountability.

- i. Name **two documents** required for opening bank account?
- ii. Name the **bank document** required for cash being deposited?
- iii. Name **two** things shown on the bank statement issued by the bank?

Question 4

For each explanation given below:

- a. Identify the income**
- b. State whether it is earned or unearned**

- i. Money received by people who are holders of copyright or patent
- ii. Reward earned for running a business
- iii. Income received on an hourly basis
- iv. Income received from families in overseas
- v. Income received from selling goods on behalf of someone else

Question 5

Money and Personal Finance

1. Name any **two** qualities of money.
2. Why was barter system important for Fiji in the olden days?
3. Discuss **two** functions of Commercial Banks.
4. Differentiate between cash and cheque payments.

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Question 6

PERSONAL BUDGET

Ethell and Maciu work as law clerks and their combine income is \$3,0000 annually.

Their expenditures are as follows:

Food	\$20 weekly
Insurance	\$110 weekly
Travelling	\$70 weekly
Clothing	\$120 fortnightly
Hire Purchase Instalment	\$170 monthly
Telephone Bills	\$100 monthly
Entertainment	\$50 fortnightly
Miscellaneous Expenses	\$35 weekly

Required

Use the information given above to prepare a combined monthly budget of Ethell and Maciu

Topic: Business Information System I

1. The accounting concept of Double entry principle originated in the 15th century by an Italian named?
 - A. Adam Smith
 - B. Luca Pacioli
 - C. Thomas Robert Mathus
 - D. GoldSmith
2. Which concept describes the business is separate and distinct from owners and other stakeholders
 - A. Separate entity concept
 - B. Monetary
 - C. Going Concern
 - D. Accounting Period
3. The reason for the interest of Government in the financial reports is for
 - A. a greater market share
 - B. fair share of taxes
 - C. payment of credit
 - D. ability to invest in other business
4. Financial Ethics deals with
 - A. accountability, transparency and true reporting of business information
 - B. business behaviours to strengthen bonds between stakeholders
 - C. engaging in open and free competition to maximize profit
 - D. unethical or illegal activities that deals with any form of drugs
5. The concept that states that the business transactions are recorded at their original cost is called
 - A. Separate Legal Concept
 - B. Accounting Equation
 - C. Monetary Concept
 - D. Historical Cost
6. One of the reasons for existence of business
 - A. to earn goods and services
 - B. to make profit
 - C. to organise source of fund
 - D. to collect financial information

Question 7

Short Answers

1. Identify any **two** external users of Accounting Information.
2. Which accounting concept states that only transactions with money value are to be recorded?
3. The affairs of the business are kept separate and distinct from the affairs of the owner is known as _____.
4. Briefly explain the term **business ethics**.
5. The accounts shown in the chart of accounts can be broadly classified into two categories: balance sheet account and _____ account.
6. Recording of transaction at their original cost is called _____.
7. Identify and **list three decisions that need to be made before starting a business**.

Question 8

Koleta wants to buy a piece of land in Duluna to start her vegetable farming. The piece of land is worth \$40,000, her mother gave her \$5,000 as a gift and her savings is \$5,000. She will sell her car for \$10,000 cash.

1. Work out how much money she needs in order to buy the farm.
2. State **two** important decisions she needs to make before starting her farming business.
3. If she has to borrow from a bank, name the **security** the bank would need from her.

THE END

