

LABASA SANGAM (SKM) COLLEGE

Commercial Studies

YEAR 10

WORKSHEET #1

SECTION A PERSONAL FINANCE II [30 marks]

There are **three** questions in this section. **Answer** all the questions.

QUESTION 1 Multiple-Choice Questions (10 marks)

The multiple-choice questions are **all compulsory**. Each question is worth 1 mark.

Circle the letter of the **best** answer in the **Answer Booklet**.

1. The **best** way of maximising income for an individual is to
 - A. borrow from friends.
 - B. open a Facebook account.
 - C. engage in impulse buying.
 - D. invest in a financial institution.

2. Which of the following is a **benefit** of a non-financial nature?
 - A. Family reunion.
 - B. Saving just dies out.
 - C. Get to remain cautious.
 - D. It becomes a waste of time and effort.

3. An **external** source of borrowing would be from
 - A. relatives.
 - B. friends.
 - C. money lenders.
 - D. store lending.

4. One of the impacts of a poor credit history is
 - A. ease of achieving financial goals.
 - B. good reputation in the community.
 - C. easily engaging in credit transactions.
 - D. having difficulty in obtaining credit from lenders.

5. Which principle states that a person who suffers financial losses from his own property is allowed to insure against risk?
 - A. Principle of Indemnity.
 - B. Principle of Uberrimae Fidei.
 - C. Principle of Proximate Clause.
 - D. Principle of Insurable Interest.

6. Which type of insurance pays monetary proceeds upon death of the insured?
 - A. Life insurance.
 - B. Travel insurance.
 - C. Health insurance.
 - D. Motor vehicle insurance.
7. The main role of FNPF is to
 - A. provide loan to all members.
 - B. help everyone in times of need.
 - C. provide a lifetime pension to its members.
 - D. provide financial security for workers when they retire at 55.
8. Which of the following is a financial related event?
 - A. Stay in village.
 - B. Deliver a speech.
 - C. Buy a new laptop.
 - D. Read a story book.
9. Which of the following is a public listed company on stock market in Fiji?
 - A. Prouds Fiji.
 - B. R B Patel Group Limited.
 - C. Cost U Less Supermarket.
 - D. Motibhai and Company Limited.
10. A factor that can influence an individual's investment decision is the
 - A. number of friends.
 - B. financial resources.
 - C. life insurance available.
 - D. number of banks in the area.

QUESTION 2**Problem Solving Questions****(15 marks)****A. Personal Financial Management**

1. Identify a challenge faced by most students when managing their personal savings.
(1 mark)
2. State **one** principle of good financial management. (1 mark)

B. Managing Credit

1. Define the term **credit worthiness**. (1 mark)
2. Discuss **one** disadvantage of borrowing if not paid on time. (1 mark)
3. Give an example of an **internal** source of borrowing for an individual.

(1 mark)

C. Managing Risk and Financial Planning

1. List **two** factors that may cause loss to an individual's property.

(2 marks)

2. Give **one** difference between savings and investment.

(2 marks)

D. Investment in Financial Institutions

1. List **two** ways of investing in a financial institution. (2 marks)
2. Differentiate between a **voluntary** and **compulsory** member of the Fiji National Provident Fund. (2 marks)

E. Financial Planning for the Future: Investment in Action.

1. List **two** factors that influence an individual's investment decision.

(2 marks)

QUESTION 3**Paragraph Writing**

The length of the paragraph should be between **75 to 100 words**.

1. **“Borrowing is an illness with no cure”**

With reference to the above statement:

- define **borrowing**.
- state **three** reasons for borrowing.
- describe the impact of borrowing on future spending and savings.

2. **The Fiji National Provident Fund (FNPF) plays a very important role in Fiji's economy.**

With reference to the above statement:

- explain **one** function of FNPF.
- discuss **three** contributions of FNPF to Fiji's economy.
- conclude by stating how students benefit from FNPF.

3. **“Practising the Golden Rule is not a sacrifice, it is an investment.”**

With reference to the above statement:

- describe the term **investment**.
- discuss **two** potential financial products that are available in the market.
- discuss **two** ways in which an individual can benefit from investment.