Chapter 2 – Class Exam

Name:____________ **Score:___/50**

Answer all questions

Suggested Exam Length: 30 minutes

Student Input (Pre-exam)

How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

What strategies did you use to study for this exam? What was the best one?

Which activities in class did you most enjoy for this topic?

Student Reflection (Post-exam)

How happy were you with your result?

What were the hardest questions? Why?

Is there any exam technique I should change/use again for my next exam?

What topics should I look over again?

Q1 Different people receive income in different ways.

(a) Indicate with a tick (✓) in the table below which person would typically receive each source of income.

Source of income	Student	Employed	Unemployed	Retired
A private pension				
Overtime pay				
Jobseeker's Allowance				
Wages from a part-time café job				
A bonus for reaching a sales target				

(b) Indicate with a tick (✓) in the table below which sources of income are regular and which are irregular.

Source of Income	Regular	Irregular
A salary		
A gift of €100 from a relative		
Interest received on savings		
Rental income		
Commission		

(c) Lukas receives free use of a company van from his employer. Explain how this is a **benefit-in-kind** for Lukas.

Q2 The Keating household pay a mortgage on the same day each month and also pay for several streaming subscriptions.

(a) Explain the difference between **fixed expenditure** and **discretionary expenditure**, using the Keatings' mortgage and streaming subscriptions in your answer.

(b) Indicate with a tick (✓) whether each of the following is fixed, irregular or discretionary expenditure.

Item	Fixed	Irregular	Discretionary
Motor tax			
Groceries			
Home insurance premium			
Concert tickets			
Takeaway meals			
Petrol			

Q3 Senan needs a new schoolbag.

Option 1: a schoolbag costing €25 that lasts one year.

Option 2: a schoolbag costing €40 that lasts two years.

(a) Calculate the total cost of each option over two years. Show your workings.

Answer	Workings
Option 1: €	
Option 2: €	

(b) Using your figures, explain why Option 1 is a **false economy**.

Q4 The Keating household buy extra unplanned items at the till each week. They have no savings, so when their car needed repairs they had to borrow, and the loan is repaid with interest.

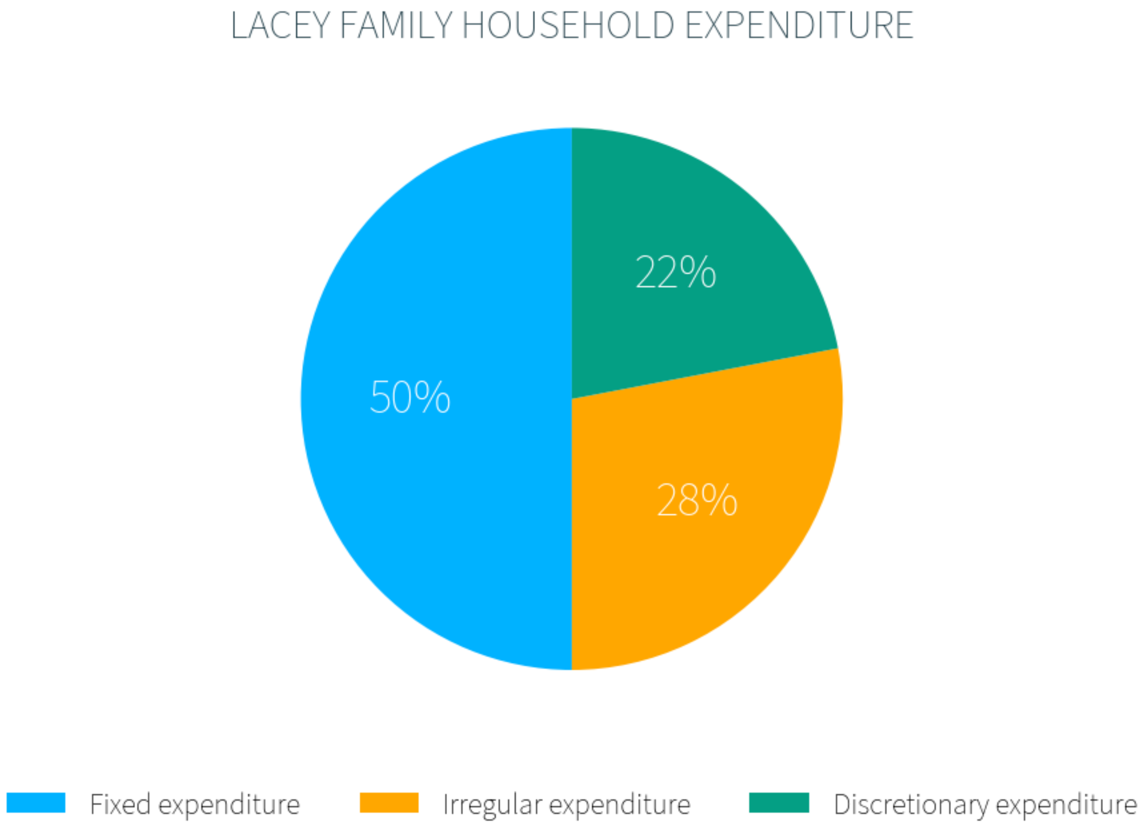
(a) Identify two financial risks the Keating household is facing.

1.
2.

(b) For each risk, suggest one action that would help the household manage its income and expenditure better.

1.
2.

Q5 The pie chart below shows the Lacey family household expenditure for one month, taken from their banking app.



(a) Which type of expenditure had the highest percentage of total expenditure in the Lacey household?

(b) State the percentage of total expenditure spent on discretionary expenditure.

(c) If total household expenditure is €4,000, calculate how much the Lacey family spend on fixed expenditure. Write your answer and workings in the spaces provided.

Answer	Workings
€	

Total marks = 50 marks Q1 Sources of income.

MS: 14 marks - (a) 5 × 1m; (b) 5 × 1m; (c) 4m (2m + 2m)

(a) Private pension - Retired. Overtime pay - Employed. Jobseeker's Allowance - Unemployed. Café wages - Student. Bonus - Employed.
(b) Salary - Regular. Gift - Irregular. Interest on savings - Irregular. Rental income - Regular. Commission - Irregular.
(c) A benefit-in-kind is a non-cash payment an employee receives from their employer. Lukas receives no extra income, but he benefits because he does not have to pay to buy or run a van himself.

Q2 Types of expenditure (Keating household).

MS: 12 marks - (a) 6m (3m + 3m); (b) 6 × 1m

(a) Fixed expenditure is the same amount paid at the same time each month, regardless of usage, like the Keatings' mortgage. Discretionary expenditure is optional spending on non-essential items they can choose to keep or cancel, like the streaming subscriptions.
(b) Motor tax - Fixed. Groceries - Irregular. Home insurance premium - Fixed. Concert tickets - Discretionary. Takeaway meals - Discretionary. Petrol - Irregular.

Q3 False economy (Senan).

MS: 8 marks - (a) 4m (2m + 2m); (b) 4m (2m figures + 2m explanation)

(a) Option 1: €50 (workings: €25 × 2 = €50). Option 2: €40 (workings: €40 × 1 = €40, lasts both years).
(b) Option 1 appears cheaper at €25, but the bag must be replaced after one year, costing €50 over two years - €10 more than Option 2. A false economy is when the cheaper option results in higher costs over time.

Q4 Risks (Keating household).

MS: 8 marks - (a) 2 × 2m; (b) 2 × 2m

(a) 1. Overspending on day-to-day items through impulse buying. 2. No savings set aside for emergencies (or: falling into debt - the loan must be repaid with interest).
(b) 1. Create a budget and shop with a list to cut unplanned purchases. 2. Set aside regular savings so funds are available for unexpected costs.

Q5 Lacey family pie chart.

MS: 8 marks - (a) 2m; (b) 2m; (c) 4m (2m workings + 2m answer with € sign)

(a) Fixed expenditure (50%).
(b) 22%
(c) €2,000. Workings: €4,000 × 0.50 = €2,000.