Chapter 5 – 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 Sive (19) has started her first job in Sligo and decides to start saving some of her wages.

(a) Outline two reasons for saving.

1.
2.

(b) Outline one risk Sive could face in the future if she does not save any of her income.

Q2 Mia puts €6,000 into a deposit account at an interest rate of 3%. DIRT is charged at 33%

(a) Calculate the interest Mia will earn in one year.

Answer	Workings
€	

(b) Calculate the DIRT Mia will pay.

Answer	Workings
€	

(c) Calculate the interest Mia gets to keep after DIRT is deducted.

Answer	Workings
€	

(d) Calculate the total value of Mia's savings after one year.

Answer	Workings
€	

Q3 Match each type of savings account to its correct description below.

Type of account	Description
A. Demand Deposit Account	1. The saver must give notice, eg 7 or 30 days, before withdrawing money.
B. Notice Deposit Account	2. Money can be deposited or withdrawn at any time, but interest rates are lower.
C. Fixed-Term Deposit Account	3. Money is saved for a set period, eg 1 year, and usually earns the highest interest rates.

A	B	C

Q4 Lia plans to save €5,000 this year. She researches two options:

Option 1: An Post (savings rate 2%, no DIRT)

Option 2: A commercial bank (savings rate 3%, DIRT 33%).

(a) Calculate the interest Lia will receive for each option and the total value of her savings after one year.

An Post	Commercial Bank
Workings:	**Workings:**
Interest received:	**Interest received:**
Total savings:	**Total savings:**

(b) Advise Lia on which option she should choose. Give one reason for your answer.

Option:
Reason:

Q5 Suggest a suitable source of finance to purchase each of the following:

Buying a family home	
Buying a sofa	
Paying an electricity bill	
Buying a car	

Q6 Róisín borrows €2,000 from her credit union to buy a laptop. The loan is repaid with interest over 12 months at €176 per month.

(a) Calculate the total cost of the loan for Róisín.

Answer	Workings
€	

(b) Calculate the total interest Róisín will pay.

Answer	Workings
€	

(c) Outline one risk of borrowing for Róisín.

Total marks = 50 marks

Q1 Sive starts saving.

MS: 8 marks - (a) 2 × 3m; (b) 2m

(a) 1. To afford large expenses or unexpected costs in the future without having to borrow. 2. To earn interest on her savings, which increases their value. (Also acceptable: to provide a retirement income through a pension; to improve her credit rating.)
(b) She may not be prepared to pay for unexpected expenses. (Also acceptable: she may not be able to afford a deposit to buy a home; she may not have a good standard of living during retirement.)

Q2 Mia's savings.

MS: 12 marks - 4 × 3m (workings + answer with € sign)

(a) €180. Workings: €6,000 × 0.03 = €180
(b) €59.40. Workings: €180 × 0.33 = €59.40
(c) €120.60. Workings: €180 - €59.40 = €120.60
(d) €6,120.60. Workings: €6,000 + €120.60 = €6,120.60

Q3 Savings accounts.

MS: 6 marks - 3 × 2m

A: 2. B: 1. C: 3.

Q4 Lia compares two savings options.

MS: 8 marks - (a) 6m (3m per option); (b) 2m

(a) An Post: €5,000 × 0.02 = €100 interest. No DIRT. Total: €5,100.
(a) Commercial bank: €5,000 × 0.03 = €150 interest. DIRT: €150 × 0.33 = €49.50. Interest - DIRT: €100.50. Total: €5,100.50.
(b) The commercial bank - her total savings would be €5,100.50, which is €0.50 more than with An Post.

Q5 Sources of finance.

MS: 8 marks - 4 × 2m

Buying a family home: a mortgage. Buying a sofa: a medium-term loan Paying an electricity bill: a bank overdraft (also acceptable: a credit card). Buying a car: PCP (also acceptable: hire purchase or a medium-term loan).

Q6 Róisín's laptop loan.

MS: 8 marks - (a) 3m; (b) 3m; (c) 2m

(a) €2,112. Workings: €176 × 12 = €2,112
(b) €112. Workings: €2,112 - €2,000 = €112
(c) Missing repayments could damage her credit rating, making it harder to borrow in the future. (Also acceptable: repayments reduce her disposable income; borrowing can cause financial stress if repayments become difficult to manage.)