

Math Essentials 11

Additional Practice Questions (Investment & Financial Planning)

1) Simple Interest.

Finding Interest

If you borrow \$150 at 14% interest and pay back 90 days later, how much interest must you pay?

Finding Principal

If you paid \$156 interest on a loan for 1.5 years at a rate of 13%, how much did you borrow?

Finding Time

If you borrowed \$800 at 15% interest and repaid \$860, how long did you borrow the money?

Finding Rate

Find the rate of interest you paid if you borrowed \$500 and paid back \$556.25 nine months later.

Finding Total Amount

If you borrow \$600 at a rate of 6% over a period of 2 years,

a) How much interest will you have to pay?

b) What will be the total amount you need to repay?

2) Compound Interest

a) Heather received \$100.00 for her 13th birthday. If she saves it in a bank with 5% interest compounded quarterly, how much money will she have in the bank by her 16th birthday?

3) Stocks

Cost (Share) Purchase	# Shares Bought	Buying Commission	Total Purchase Price	Cost (Share) Sold	Selling Commission	Total Sale	Total Gain or Loss
\$4.56	250	Included		\$5.01	\$50		
\$134.87	17	\$100		\$123.12	\$95		
\$15.83	500	Included		\$14.98	\$100		

4) Investment Terminology.

See Notes (textbook, on website, The City, and in your binders)

5) Types of Investments

- _____ short term (less than 1 year) debt securities issued by the government
- _____ property such as land or houses
- _____ investing your money to finance a private business
- _____ Shares in ownership of a company (stocks)
- _____ money deposited with banks, trust companies and credit unions
- _____ government and corporate bonds
- _____ units in a pool of money that's managed for a large number of investors by a professional money manager

6) Ordering Types of Investments

Circle one. For more examples - see Module 9 - Investment

More Risk

Stocks or Treasury Bills

Higher expected return

Savings deposits or Real estate

More Liquid

Trading Card Collection or Units in a mutual fund