

REMEDIAL WORKSHEET

YEAR 10

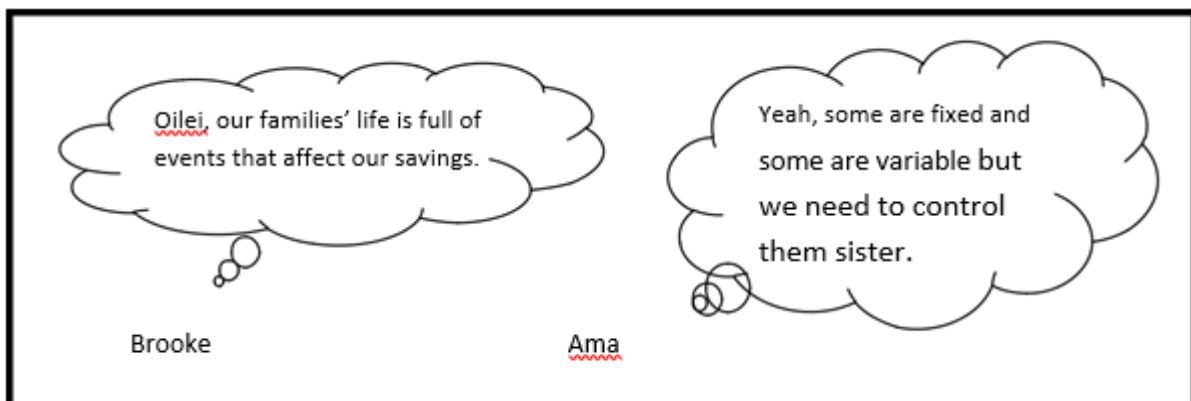
COMMERCIAL STUDIES

TERM 2: WEEK 1: 2021

QUESTION 1 PERSONAL FINANCE II

A. Personal Financial Management

1. Describe **one** economic challenge faced by your family in managing personal finance.
2. Based on your knowledge on finance management, discuss **two** solutions to the above challenge.
3. Study the discussion and answer the question that follows.



The word **event** refers to expenditure in the discussion. State at least **five** common expenditures of a family living in Fiji.

B. Managing Credit

- a. State **4** examples of an external source of borrowing.
- b. State **one** impact of borrowing.
- c. State **two** costs of non- financial nature
- d. Explain what is meant by *Cycle of borrowing*.

C. Managing Risk and Financial Planning

- 1. **Define** the following terms
 - a. Insured
 - b. Insurer

2. State an example of a method to protect against a risk given below.

Risk	Method
Theft	
Car engine packing up	
Poor driving	
People driving on the wrong side of the road causing accidents	
Poor Health	
Loss of job/ income	
Serious illness	

- 3. State one benefit of buying an insurance policy.
- 4. **From the list below identify the correct answer for the statements below.**

Avoid the risk Reduce the risk Accept the risk Transfer the risk
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- A. steps taken to lower financial cost**
- B. avoiding risky activities e.g. driving in heavy rainfalls.**
- C. purchase of an insurance policy**
- D. paying for financial loss with available cash**

D. Investment in financial institutions

- 1. Define savings and investment.
- 2. Differentiate between savings and investment.

3. List down the basic requirements needed when investing or saving in any financial institutions.
4. Define the following terms:
 - a. Voluntary deduction
 - b. Compulsory deduction
5. List down three financial institutions where one can invest their income.
6. Differentiate between compound and simple interest.