**UNIT 2 – MANAGING YOUR MONEY - ANSWERS**

**ASSIGNMENT 1 – FINANCIAL INSTITUTIONS**

1) loans, GICs, online banking, overdraft protection

2) bank, credit union, investment company, trust company

3a) bank, credit union, loan companies

b) ) bank, credit union, investment companies, trust companies

c) ) bank, credit union

d) investment companies, trust companies, banks, credit unions

e) ) bank, credit union, loan companies

4) ) bank, credit union, loan companies

Shop around to compare interest rates and services

5) Answers will vary ex: Royal Bank, CIBC, TD Canada Trust, Vancity Credit Union, Scotiabank , …

**ASSIGNMENT 2 – TYPES OF BANK ACCOUNTS**

1) Value Account is best for Dana. Cost is $2.50/mo

2) Self-Service Account is best for Dennis. Cost is $0.50/mo

**ASSIGNMENT 3 – BANK ACCOUNT RECORDS**

1) Final Balance is $2797.98 2) Final Balance is $4181.70

**ASSIGNMENT 4 – ATMs AND DEBIT CARDS**

1) Circled items are: pay bills, deposit money, transfer money between accounts, withdraw money, check balances, buy groceries, withdraw money when travelling

2) Circled items are: no interest charges, easy to carry, can be used 24/7, easy to get at a bank, safer than carting cash, accepted at most retailers, cannot spend more than you have, convenient record keeping

3) Circled items are: may have fees, has a daily limit on cash withdrawal, another number I need to remember, can be lost or stolen

**ASSIGNMENT 5 – ONLINE BANKING**

1) Circled items are: identity theft, difficulties using a computer, unable to deposit or withdraw money, no in-person customer service, insecure sites

2) a) T b) T c) F d) T e) T f) T g) T

3) Answers will vary.

**ASSIGNMENT 6 – INCOME AND EXPENSES**

1)

|  |  |  |
| --- | --- | --- |
| ***Item*** | ***Classification*** | ***Reason*** |
| Monthly paycheque | Regular | Reasons will vary. |
| Tax refund | Variable |
| Tips | Variable |
| Christmas money | Variable |
| Babysitting earnings | Variable |
| Investment interest | Variable/regular |

2)

|  |  |  |
| --- | --- | --- |
| ***Item*** | ***Classification*** | ***Reason*** |
| Rent | fixed | Reasons will vary. |
| New coat | variable |
| Loan payment | Fixed |
| Groceries | Variable |
| Car repairs | Unexpected |
| Restaurant meals | Variable |
| Replace iPod | Unexpected |
| Vehicle insurance | Fixed |
| Gym membership | fixed |

3) Income – paycheque, babysitting money, paycheque

Expenses – all other items

**ASSIGNMENT 7 – SAVINGS**

1) Income = $1800, Expenses = $1582, Difference = $218.

2a) $235 each month b) JD will have saved $1410 in 6 months. Yes, he will have enough for the TV.

3) Savings = $449.96 per month. $1799.84 saved in 4 months. Yes, Gavin will have enough saved.

4) Sylvia needs to save $25 more each month.

**ASSIGNMENT 8 – CREATING A BUDGET**

1) to find average monthly expense, add category expenses and divide by the number of months.

2a) Rent = $650, other answers will vary b) Mun He will NOT be able to buy the TV.

3) Answers will vary but MUST total $3550/mo

**ASSIGNMENT 9 – ANALYZING BUDGETS**

1) $1875 2) 6.75% 3) $206.25 4) $371.25/mo. Is this enough?

5a) $472.50 b) $61.43

**ASSIGNMENT 10 – MORE ANALYZING BUDGETS**

1) Answers will vary.

2) Check that each category expense is within the given range.

3) Circle graph, remember that degrees are drawn but percentages are written in each pie piece ☺