

Question

---

What is the difference between 'real' property and 'personal' property?

---

Answer

Real property, or Real Estate, refers to land and anything permanently attached to that land. Personal property generally refers to all items that can be moved and are not a part of the land.

Question

---

How many security numbers are there on a credit card?

---

Answer

16 digits on a credit card

Question

---

How much should I budget for debts owed on credit cards or car loans?

---

Answer

Some of our debt, such as car financing, comes with specific repayment schedules, but credit cards can generally be paid off according to one's personal ability to pay.

The rule is not to allocate money to investment accounts if you have existing unpaid credit card debt. Credit cards cost more.

Question

---

How to I plan a family budget?

---

Answer

Add up all income for a set period, say one month. Then add up all expenses for the same period and subtract the expenses from the income. This is what you have to spend after paying all bills.

Make sure you include all one off payments over a year. For example calculate electricity used over a year and divide by 12, then add to monthly expenses.

Question

---

What is inflation?

---

Answer

Inflation is defined as a sustained increase in the general level of prices for goods and services. It is measured as an annual percentage increase. As inflation rises, the money you have buys a smaller percentage of goods and services.

Question

---

What type of pension schemes are there?

---

Answer

State pensions- you build this up through your national insurance contribution.

Private pensions from work and /or personal pension schemes, you arrange these yourself, for example if you were self employed.

Question

---

When I bought a pair of jeans in a sale, there was a sign saying, "No refunds on sale items." Is this legal?

---

Answer

No. The supplier is illegally attempting to contract out of the Goods and Services Act 1982. If you find a defect in the jeans after you buy them, you have the right to return them. If the supplier refuses or cannot repair them in a reasonable time, you can ask for a replacement or a refund.

Question

---

What do we call a financial transaction where one party (lessor) gives to another (lessee) the right to use premises or products for an agreed period of time in return for payment?

---

Answer

Leasing

Question

---

Define the concept of 'term' in relation to finance.

---

Answer

"Term" defines the time period or duration of a loan. The longer the period of the loan, the smaller your monthly payments will be but you will pay more interest on the loan.

Question

---

What is the difference between a credit card and a debit card?

---

Answer

Debit and credit cards can be used anywhere and both offer convenience. The major difference is that a debit card takes money immediately from your bank account and a credit card charges it to your credit card account.

Question

---

What is 'rent'?

---

Answer

'Rent' is payment for premises or goods. For example, a leasing company may rent an 'asset' to a client e.g. vehicle or premises to use for an agreed regular payment.

Question

---

Answer

Question

---

What are the benefits of credit cards?

Answer

The ability to purchase goods at any time - not having to carry large amounts of money.- Evidence of purchase and payment. - may be more convenient than using cheques - Can offer some protection against fraud

Question

---

What are the disadvantages of credit cards?

Answer

The goods may be more expensive if credit is not repaid because interest is charged - It is tempting to spend money you do not have resulting in increased charges leading to financial debts.- you may be tempted by impulse buying.

Question

---

Identify the costs associated with credit cards.

Answer

Interest will be charged for using credit cards unless you pay within the agreed credit period. Before signing a credit card contract read the agreement thoroughly and calculate the interest rate payable. Another very important point to understand is the penalties applied in any payment default.

Question

---

What is an annuity?

Answer

When you reach retirement you have to convert the capital built up in your personal 'pension pot' into a regular pension, one way to do this is an annuity.

An annuity is a way of providing a regular income in exchange for a lump sum.

Question

---

What is meant by an account balance?

Answer

It is the amount held in an account such as a bank account.

Question

---

Define the concept of 'taxable persons'.

Answer

All individuals resident for a specific time during the tax year in a country are liable to pay tax to that government.

Question

---

What is risk? How does it affect your savings and investments?

---

Answer

Another name for risk is chance or uncertainty.

Types of risk include capital risk (your savings or investment fall in value), interest rate risk (the interest rate you agree to may not be good value in the future) and inflation risk (price levels will rise so the buying power of your savings or investments will fall).

Question

---

What is the name given to a small document from a bank directing them to pay the stated amount of money as instructed from a customer's account.

---

Answer

A cheque

Question

---

Simple Interest is the interest paid on the principal sum and on any interest added previously. True or false?

---

Answer

False. It is the interest paid on the initial investment (the principal) only and not the accumulated amount.

Question

---

What is the 'Annual Rate of Return'?

---

Answer

It is income earned or 'rate of profit' on an investment in a year related to the amount originally invested.

Question

---

Compound interest is the interest paid on the principal sum borrowed and on any interest previously added. True or false?

---

Answer

True

Question

---

How does a personal pension plan work?

---

Answer

Essentially, you pay money into your plan and choose where to invest it from a range of funds.

These are managed on your behalf. The fund is normally used to buy an annuity (a taxable income for life) when you retire.

Question

---

What do you call savings in which an individual may set aside earned income for his or her retirement?

---

Answer

A personal pension – this is your own private pension that you can take from job to job. It is ideal if you don't have access to a company scheme or are self-employed.

Question

---

'Market Price Risk is the chance that the value of an investment will go up because of a change in supply and demand. True or false?

---

Answer

False. The risk of an investment is that the value can go down as well as up. Otherwise we wouldn't call it a risk.

Question

---

What is an overdraft?

---

Answer

An arrangement with a bank to withdraw more money than is in the account incurring interest and other penalty charges.

Question

---

What is the difference between inflation and deflation?

---

Answer

Inflation is a general increase in the price level of goods or services whereas deflation is a decrease in prices.

Question

---

The Nominal Rate of Return is the rate of return from an investment after adjusting for inflation. True or false?

---

Answer

False. It is the return from an investment before adjusting for inflation.

Question

---

What does APR stand for?

---

Answer

Annual Percentage Rate

Question

What does ECB stand for?

Answer

European Central Bank

Question

Whenever you use a credit card it activates your bank account. Is this statement true or false?

Answer

False, credit cards activate your credit card account

Question

Answer

Question

Answer

Question

Answer

Question

Answer