

ifs Level 2 Certificate in Personal Finance (QCF) –
500 / 9897 / 4 and the **ifs** Certificate in Personal
Finance (SCQF Level 5)

Unit 2: Money Management Solutions (MMS)
D / 506 / 4842

Specimen paper: C
Length of examination: 30 minutes

Instructions to learners

1. Open this question paper when instructed to do so.
2. Answer **all** questions.
3. Use the examination answer sheets provided for your answers. Please do **not** note your answers in this booklet, as they will **not** be recorded.
4. Read the instructions on both sides of the answer sheet carefully.
5. Before you leave the examination room you **must** hand in all the examination materials including the answer sheet and question paper.

Information for learners

1. Silent non-programmable (including scientific) calculators are allowed. Programmable calculators are not allowed.

Section A

1. When using their debit card at an ATM, cardholders need to be aware of which of the following?
 - A All ATM networks charge a fee.
 - B Some ATM networks charge a fee.
 - C There are never any charges for using ATMs.
 - D You will only ever be charged for using an ATM abroad.

2. Which of the following is **most likely** to be used to make a payment to purchase a house?
 - A ATM.
 - B Bacs.
 - C CHAPS.
 - D UKPA.

3. When accessing telephone banking, you are **most likely** to be asked for your:
 - A address.
 - B PIN.
 - C sort code.
 - D statement.

4. Which of the following **cannot** be used to get a list of transactions on your current account?
 - A ATM.
 - B Bacs.
 - C Internet banking.
 - D Paper statement.

5. Which of the following is contained within a debit card?
- A Cash.
 - B Chip.
 - C Password.
 - D Points.
6. Typically, borrowing on a credit card is free, as long as the whole amount is paid back within a **maximum** of how many days?
- A 30 - 39 days.
 - B 40 - 49 days.
 - C 50 - 59 days.
 - D 60 - 69 days.
7. The **main** purpose of a credit card is to:
- A build up credit points in stores.
 - B collect credits towards loyalty schemes.
 - C enable people to borrow money.
 - D transfer money into a savings account.
8. Which of the following can be used to get cashback from a till?
- A Credit card.
 - B Debit card.
 - C Pre-paid card.
 - D Store card.

9. Which of the following is **most likely** to be a secured loan?

- A Credit card.
- B Mortgage.
- C Overdraft.
- D Store card.

10. What does 'APR' stand for?

- A actual percentage rate.
- B annual percentage rate.
- C approximate percentage rate.
- D arranged percentage rate.

11. 'Paying in advance' means:

- A getting credit and paying later.
- B paying after the goods have been received.
- C paying at the time of receiving the goods.
- D paying before the goods have been received.

12. What is the **main** purpose of insurance?

To:

- A be able to get new products for free when the old ones wear out.
- B earn a regular income.
- C offer credit to people whom banks consider to be high risk.
- D reduce the financial effects of loss.

13. The money that a person has to pay for insurance cover is known as which of the following?
- A Assurance.
 - B Dividend.
 - C Interest.
 - D Premium.
14. To be able to take out life assurance on another person, there must **first** be which of the following?
- A A cover note.
 - B A life assured.
 - C A sum assured.
 - D An insurable interest.
15. When you receive your bank statement, why should you check it against your own records?
- A Because you can sue the bank if your statement is incorrect.
 - B So that you can account for any items not shown on the statement.
 - C To find out the numbers on the cheques you have issued.
 - D To make sure that your account details are still correct.
16. Max has just received his bank statement. This is **least likely** to show which of the following about Max?
- His:
- A account number.
 - B address.
 - C date of birth.
 - D name.

17. Which of the following is **most likely** to be regarded as essential expenditure in a budget?
- A Dining out.
 - B Going on holiday.
 - C Socialising.
 - D Travelling to work.
18. Margot has major debt problems and cannot cope with her repayments. She needs some unbiased counselling to help her. Which of the following would help her the **most**?
- A A family member.
 - B A friend.
 - C Citizens Advice.
 - D Her bank.

Section B begins on page 8

Section B

Case Study 1



Answer the following **three** questions:

19. An ATM is also sometimes referred to as:

- A a cash provider.
- B a hole in the wall.
- C a remote bank.
- D an automatic cashier.

20. An ATM is **most commonly** used by people for which of the following?

To:

- A arrange a meeting with their bank.
- B check the interest rate on their account.
- C increase their credit card limit.
- D withdraw money from their account.

21. Which of the following can you **not** do using an ATM?

- A Change your PIN.
- B Get a balance.
- C See a mini-statement.
- D Set up a direct debit.

Case Study 2 begins on page 10

Case Study 2



Hire purchase available on all vehicles!

Answer the following **three** questions:

22. Sophie, aged 17, is a student. She lives with her parents and works at the weekend at her local garden centre.

She applies for a car loan, which is refused by the bank, because she:

- A is a student.
 - B is too young to borrow.
 - C lives with her parents.
 - D only has a part-time job.
23. Sophie's sister, Maxine, is married and has two children. Maxine decides to buy a bigger car and arranges the finance through hire purchase. When will the car belong to Maxine legally?

When she has:

- A paid more than 50% of the amount owed.
- B paid the final instalment.
- C paid the first instalment.
- D signed the hire purchase agreement.

24. Maxine will **most likely** make the monthly repayments to the finance company by:
- A cash.
 - B cheque.
 - C credit card.
 - D standing order.

Case Study 3 begins on page 12

Case Study 3



Answer the following **three** questions:

25. Which of the following **best** describes a debit card?

It is used to:

- A access money in a current account.
- B access money in a savings account.
- C borrow money from stores.
- D borrow on credit.

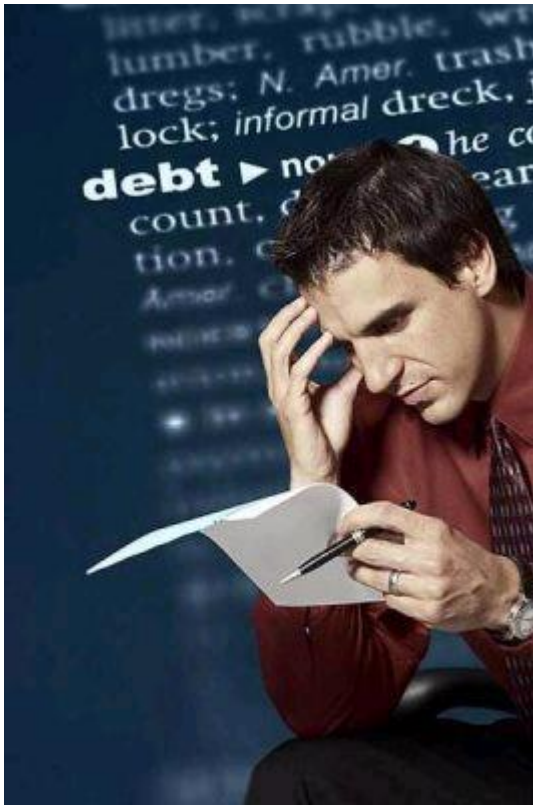
26. How many digits does the long number on a debit card have?

- A 14.
- B 16.
- C 18.
- D 20.

27. The second date on a debit card relates to which of the following?
- A The cardholder's date of birth.
 - B When the bank was formed.
 - C When the card will expire.
 - D When the cardholder opened the account.

Case Study 4 begins on page 14

Case Study 4



Answer the following **three** questions:

28. William has just written a financial plan.

Another name for this is a:

- A budget.
- B chart.
- C statement.
- D table.

29. William is trying to work out which items that he spends his money on are the **most** important. He can do this by which of the following?
- A Listing.
 - B Ordering.
 - C Prioritising.
 - D Scheduling.
30. William's **most important** items of expenditure should be:
- A essential items.
 - B non-essential items.
 - C optional items.
 - D social items.
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