

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: D
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. Which of the following is responsible for processing direct debits?

- A Bacs.
- B FCA.
- C Link.
- D Maestro.

2. Trisha is buying a house and has to pay a large sum of money to her solicitor so that he can complete the property purchase for her. The money needs to be in her solicitor's bank account urgently.

Which type of payment would be the **best** for Trisha to use?

- A Bacs.
- B Cash.
- C CHAPS.
- D Mortgage.

3. Which of the following is **not** a security feature of internet banking?

- A Customer identification name.
- B Password.
- C Security questions.
- D Sort code.

4. Complex banking problems are **most difficult** to solve when using which of the following channels?

- A Branch banking.
- B Face-to-face.
- C Internet banking.
- D Telephone banking.

5. Which of the following is **always** shown on the front of a debit card?

The:

- A customer's date of birth.
- B customer's PIN.
- C name of the issuing provider.
- D time and date that the card was issued.

6. What will happen if you **only** make the **minimum** repayment on your credit card bill?

- A It will take a long time to pay off your credit card bill.
- B You will always be refused any further credit cards.
- C You will be declared bankrupt immediately.
- D Your credit limit will be automatically increased.

7. What is the **main** purpose of a debit card?

So that customers:

- A are able to identify themselves.
- B can access money in their current account.
- C can send money abroad more easily.
- D can transfer money between banks.

8. Which of the following does **not** involve the cardholder arranging any form of borrowing?

- A Charge card.
- B Credit card.
- C Debit card.
- D Store card.

9. What is hire purchase (HP)?
- A Buying at the highest price.
 - B Hiring instead of buying the goods.
 - C Paying for goods in instalments.
 - D Selling at the highest possible price.
10. Shortly after her 17th birthday, Mira passes her driving test and applies to her local bank for a car loan. Why would the bank refuse to give Mira a loan?
- She:
- A has only just passed her driving test.
 - B is too young.
 - C only has a savings account with them.
 - D only works part-time.
11. Which of the following is **not** paid for in advance?
- A A credit card bill.
 - B A magazine subscription.
 - C Mobile phone pay-as-you-go.
 - D Travel season ticket.
12. Which of the following is proof that someone is insured?
- A An insurance certificate.
 - B An insurance schedule.
 - C Insurance cover.
 - D Insurance excess.

13. Which of the following is **not** commonly known as a type of insurance?
- A Health.
 - B Job.
 - C Motor.
 - D Travel.
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. Why might a borrower need to show a lender a bank statement?
- A As evidence of identity.
 - B As proof of how much they earn.
 - C So banks can make you aware of other products.
 - D To apply for a new passport.
16. In addition to the amount of transactions, a bank statement will also **always** show the:
- A date of the transaction.
 - B location of the transaction.
 - C precise time of the transaction.
 - D receipt provided during the transaction.

17. Which of the following is non-essential expenditure?

- A Council tax.
- B Electricity.
- C Fashion accessories.
- D Rent.

18. Isma is only allowed to advise customers on her employer's financial products. This means that Isma is which type of financial adviser?

- A Chartered.
- B Independent.
- C Multi-tied.
- D Restricted.

Section B begins on page 8

Section B

Case Study 1



Answer the following **three** questions:

19. The Faster Payments Service helps people to make quicker payments when paying by which of the following methods?
- A Cash.
 - B Cheque.
 - C Credit card.
 - D Electronic transfer.
20. Payments made using the Faster Payments Service are paid:
- A the same day.
 - B the next day.
 - C in two business days.
 - D in three business days.

21. Which of the following is the **maximum** limit for a payment made using the Faster Payments Service?
- A £1,000.
 - B £100,000.
 - C £50,000.
 - D £10,000.

Case Study 2 begins on page10

Case Study 2

Need Quick Cash?

Call Fast Loans on:
08050 972146



Answer the following **three** questions:

22. Carmen needs to borrow £4,000 to buy a car. Which of the following would be the **most appropriate** product for her?
- A Individual savings account.
 - B Mortgage.
 - C Overdraft.
 - D Personal loan.

23. Carmen's finance is **likely** to be which of the following?

- A Very short-term.
- B Medium-term.
- C Long-term.
- D Very long-term.

24. Which of the following would apply to the interest on the finance that Carmen has arranged?

- A AER.
- B APR.
- C ARR.
- D EAR.

Case Study 3 begins on page 12

Case Study 3



Answer the following **three** questions:

25. Dino has paid for his shopping and has asked for an additional amount of £30, which the checkout operator will hand to him. Dino has paid for his shopping using which of the following?

- A Cash.
- B Cheque.
- C Credit card.
- D Debit card.

26. Dino pays for his shopping and the checkout operator hands him the £30 cash that Dino requested.

This type of transaction is known as:

- A cashback.
- B cashout.
- C moneydraw.
- D moneypay.

27. For a customer to complete a card transaction in a shop, they will be required to type in which of the following?

Their:

- A bank account number.
- B customer identification name.
- C memorable question answer.
- D personal identification number.

Case Study 4 begins on page 14

Case Study 4



Answer the following **three** questions:

28. Which of the following describes Citizens Advice correctly?

It is:

- A a charity.
- B owned by the banks.
- C owned by the building societies.
- D run by its members.

29. Most of the staff at Citizens Advice are:

- A agency workers.
- B directors.
- C management.
- D volunteers.

30. Citizens Advice **most commonly** advises people on which of the following?
- A Dealing with debt.
 - B Getting the best mortgage deals.
 - C Making investments.
 - D Taking out a pension.
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