

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

Unit 1: Personal Financial Encounters (PFE) H / 506 / 4843

Specimen paper: A
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 characteristics of money enables people to buy items of varying value and enables them to get change?

Money is:

- A accepted by people and shops.
 - B always worth the same amount.
 - C available in different amounts.
 - D easily recognisable by everyone.
2. Which of the following is a security feature used on bank notes?
- A Durability.
 - B Hologram.
 - C Recognisability.
 - D Shape.
3. In England and Wales, how many different denominations of bank notes are legal tender?
- A One.
 - B Two.
 - C Three.
 - D Four.
4. Tom's elderly aunt has just died and left him some money.
- This is known as:
- A a capital gain.
 - B a debt.
 - C a gift.
 - D an inheritance.

5. Ahmed is a market researcher. He has no guarantee of any work and is called on by the agency whenever they need surveys to be undertaken. He does this only if it fits in with his studying.

This is known as:

- A casual work.
 - B full-time work.
 - C part-time work.
 - D shift work.
6. Dino is completing his annual tax return. Who should he send it to when it is completed?
- A Bank of England.
 - B HM Revenue & Customs.
 - C National Savings and Investments.
 - D The Post Office.
7. Which of the following does Pay As You Earn (PAYE) relate to?
- A Bank interest.
 - B Capital gains tax
 - C Income tax.
 - D Value added tax.
8. Which of the following identifies the specific branch of a bank?
- Its:
- A personal identification number.
 - B serial number.
 - C sort code number.
 - D unique identity number.

9. Maisie has just started a newspaper round. She already has a current account and a savings account with the same provider. She wants to put £20 each month into her savings account from her current account. What will be the **best** way for her to do this?

- A Credit transfer.
- B Direct debit.
- C Paying-in slip.
- D Standing order.

10. Mac's wages have been paid into his bank account.

This means that his:

- A credit balance will increase.
- B debit balance will worsen.
- C mortgage will increase.
- D overdraft will increase.

11. Which of the following is the **main** reason for keeping any spare money with a bank or building society?

- A So it is accessible.
- B So you can pay some interest.
- C To earn some interest.
- D To help the bank or building society.

12. Martha feels very strongly about the environment. Which of the following would be the **key** consideration for Martha when choosing a savings product?

The provider's:

- A ethical investment policy.
- B marketing campaigns.
- C opening hours.
- D profit history.

13. Value for money is **best** described as which of the following?
- A Avoiding a high opportunity cost.
 - B Finding something for the cheapest price possible.
 - C Managing to avoid paying VAT on an item.
 - D Paying a fair price for something.
14. Baked beans are priced at 60p per tin, but are on special offer as buy one, get one free. Mike decides to buy some and leaves the store with four tins. How much did they cost him?
- A £0.60.
 - B £1.20.
 - C £1.80.
 - D £2.40.
15. Micky has inherited some money. He is prepared to take a high level of risk in the hope that his money will grow quicker.
- Which of the following will be the **best** for him?
- A Bank current account.
 - B Building society savings account.
 - C Cash card.
 - D Stocks and shares.
16. Which of the following is a method of using money to win prizes, but your original money is always protected?
- A Cash ISAs.
 - B Lotto.
 - C Premium Bonds.
 - D Shares.

17. The euro is legal tender in:

- A all of Europe.
- B every country.
- C France, Germany, Spain, Portugal and Italy only.
- D the eurozone.

18. Jack visits the US on business. The exchange rate is US\$1.5 = one pound sterling. His return flights cost £750 and while he is away his expenses are US\$750.

How much in pounds sterling does his trip cost in total?

- A £1,000.
- B £1,250.
- C £1,500.
- D £1,875.

Section B begins on page 8

Section B

Case Study 1



Answer the following **three** questions:

19. To be eligible for Jobseeker's Allowance you **must** be:
- A actively looking for work.
 - B in full-time education.
 - C over the age of 21.
 - D under the age of 18.
20. To be eligible to claim Jobseeker's Allowance, if you are already working, you must work for **less** than how many hours each week?
- A 12.
 - B 16.
 - C 18.
 - D 22.

21. To be able to claim Jobseeker's Allowance, it is necessary to attend regular job search reviews with an adviser at the Jobcentre.

These reviews are usually each:

- A day.
- B week.
- C fortnight.
- D month.

Case Study 2 begins on page 10

Case Study 2



Answer the following **three** questions:

22. Which of the following accounts offers easy access and is suitable for regular transactions?

- A Current.
- B Loan.
- C Overdraft.
- D Savings.

23. Tom is looking for a safe place for his spare money and would like to see the amount grow over time.

He should open a:

- A current account.
- B growth account.
- C interest account.
- D savings account.

24. Maz has some savings that she can put aside for a year and she wants to earn interest on the money.

Which type of account would be **most appropriate** for her?

- A Annual.
- B Dividend.
- C Loan.
- D Notice.

Case Study 3 begins on page 12

Case Study 3



Answer the following **three** questions:

25. Buy one, get one free is a type of:

- A hidden charge.
- B service charge.
- C shopping tax.
- D special offer.

26. A shop is offering a 10% discount off all items. Jack buys a suit, which was originally for sale at £200. How much will it cost him at the sale price?

- A £160.
- B £180.
- C £190.
- D £220.

27. Which of the following is a recognised method of getting the **best** value when making a purchase?
- A Ask the person on the checkout.
 - B Buy on credit.
 - C Keep receipts.
 - D Shop around.

Case Study 4 begins on page 14

Case Study 4

Currencies



Answer the following **three** questions:

28. The pounds sterling equivalent of 500 yen is calculated by using:
- A conversion amounts.
 - B currency formulae.
 - C exchange rates.
 - D financial swaps.
29. If one pound (£1) is equal to two hundred yen (¥200), how much is the above ¥500 bank note worth in pounds (£)?
- A £0.25.
 - B £2.50.
 - C £25.00.
 - D £500.00.

30. When changing one currency for another at a bank or building society, the provider may charge a fee for the service.

This is known as:

- A a deposit.
 - B a premium.
 - C commission.
 - D interest.
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