

## AFLA 2008 Post-Learning Assessment

Q1

An advantage of preparing a personal budget is that you

- (A) spend more than you earn.
- (B) apply for a rewards program card.
- (C) spend all you like on whatever you like.
- (D) plan to meet expenses and make savings.

Q2

Which of the following would **NOT** be considered a running cost of a car?

- (A) petrol
- (B) mechanical repairs
- (C) insurance premiums
- (D) installing a CD system

Q3

Chloe plans to buy a new personal computer. She has budgeted \$1,200 for her purchase. When she goes to the department store to buy her computer, she discovers that although she can buy a computer for \$1,200, the computer that she really wants is \$1,500. Chloe does not receive any extra income this month and her regular expenses will stay the same.

If Chloe buys the more expensive computer, will this affect her budget?

- (A) No. Chloe has already budgeted for purchasing a computer.
- (B) No. The computer Chloe wants is only a little bit more expensive than the computer she needs.
- (C) Yes. Having the best computer is most important.
- (D) Yes. Chloe will not have enough money as she has no extra income to pay for the computer.

Q4

A consumer has a right to a refund when the

- (A) consumer no longer wants the goods.
- (B) goods were accidentally damaged after purchase.
- (C) goods were defective before they were purchased.
- (D) consumer found the same goods cheaper somewhere else.

Q5

Elizabeth recently started her first job and wanted to obtain a tax file number.

Which website would be most useful to Elizabeth?

- (A) [www.ato.gov.au](http://www.ato.gov.au)
- (B) [www.asx.com.au](http://www.asx.com.au)
- (C) [www.asic.gov.au](http://www.asic.gov.au)
- (D) [www.accc.gov.au](http://www.accc.gov.au)

Q6

Phillip bought 1500 shares in January 2006. He decided to sell the shares on 1 July 2006. He made a profit of \$7500.

What type of tax will Phillip need to pay on his profit?

- (A) Profit Tax
- (B) Capital Gains Tax
- (C) Fringe Benefits Tax
- (D) Superannuation Guarantee

Q7

Why is CD piracy an offence?

- (A) CD pirates acknowledge only the work of cover designers and not the work of song writers.
- (B) Pirated CDs can damage your CD player.
- (C) CDs sold at markets and fairs are always better quality than the original CD that was purchased.
- (D) The money earned from piracy is not returned to those involved in all stages of CD production.

Q8

Jim is an apprentice panel beater. His last payslip is shown below.

HANDY ANDY'S AUTOMOTIVE WORKSHOP			
ABN: 44 010 987 123			
Employee's name: Jim Anderson		Date: 20/7/06	
Classification: Apprentice Automotive (Panel Beater)		Pay period: 6/7/06 – 19/7/06	
Ordinary wages/ hourly rate	No. of hours: 56	@ rate 15.82	\$ 885.92
Overtime	No. of hours: 0	@ rate 15.82	\$ 00.00
Allowances	Purpose: Tool allowance		\$ 15.00
Employer's contribution to superannuation: \$35.43			
Gross wages			\$ 900.92
Less tax			\$ 118.54
Less deductions	Purpose: Union membership		\$ 6.50
Net wages			\$

What amount should be shown at Net wages?

- (A) \$760.88
- (B) \$775.88
- (C) \$782.38
- (D) \$894.42

Q9

Azureblue is a company that manufactures jeans. It wants to target the teenage market with its advertising. The company produces advertisements that show young people listening to music and having fun while wearing Azureblue jeans.

What message is the company presenting?

- (A) Anyone can wear the jeans.
- (B) The jeans are not expensive.
- (C) The jeans can be bought anywhere.
- (D) If you wear these jeans you will be cool.

Q10

People can receive income from a variety of sources.

Which of the following income sources is correctly matched to the person receiving the income?

	PERSON	INCOME SOURCE
(A)	someone depositing money in a bank account	dividend
(B)	a salesperson receiving 10% of sales made	interest
(C)	a landlord	rent
(D)	a shareholder	commission

Q11

Four greengrocers are using different pricing methods for selling oranges.

<b>The Farm Greengrocer:</b>	Oranges 55 cents each
<b>Smith's Fresh Foods:</b>	Oranges 3 for \$1.75
<b>Best Buys Fruits:</b>	Oranges 80 cents each. Buy 5 and get one free!
<b>The Orchard Shop:</b>	Oranges \$6.50 per dozen

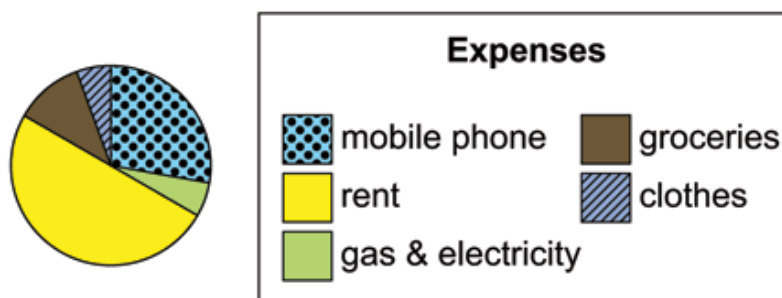
A football coach needs to buy 24 oranges.

Which greengrocer offers the best value?

- (A) The Farm Greengrocer
- (B) Smith's Fresh Foods
- (C) Best Buys Fruits
- (D) The Orchard Shop

Q12

This pie chart shows the proportion of Ben's income that he budgets for expenses.



Ben wants to reduce the amount of his mobile phone bill and invest the money saved.

Which of the following options might achieve this?

- (A) make fewer phone calls
- (B) buy more clothes
- (C) find a higher paying job
- (D) find a cheaper place to live

Q13

Ram has taken out comprehensive insurance on his car.

Which of the following is covered by comprehensive insurance?

- (A) loss of wages if Ram cannot use his car
- (B) repairs to his car if he runs into a fence
- (C) rust on the car caused by the salt spray near his home
- (D) wear and tear on the tyres caused by Ram's driving to work

Q14

Marcia owns a bookshop. She received an invoice for \$1,200 from Harrison's Pty Ltd for some books that she ordered. Marcia wants to pay the invoice using a cheque.

<b>WTGB</b> 1st Wattle Tree Grove Bank		
WTG Bank Limited, Main Street Branch		Date _____
Pay <b>X</b> _____	<b>Not Negotiable</b>	_____ or bearer
The sum of _____		\$ _____
<b>WATTLE TREE GROVE BOOKSHOP PTY LTD</b>		
619843	192-264	3456123218

What should she write in the section marked **X** on the cheque?

- (A) 1,200
- (B) Cash
- (C) Harrison's Pty Ltd
- (D) Wattle Tree Grove Bookshop Pty Ltd

Q15

Winnie bought a CD from her local store. The disc was in good condition and each track played well. For her birthday, Winnie received a copy of the same CD from her friend. Winnie decided to return the original CD to the store where she purchased it, to get a refund. Her local CD store has a policy of providing refunds or exchanges only when the goods are faulty. This policy is displayed in-store and printed on every receipt.

In this case,

- (A) the store is not required to do anything as there was no fault with the CD.
- (B) Winnie should call the Office of Fair Trading to appeal the CD store's policy.
- (C) the store should exchange the CD, as long as the replacement CD is of equal or lesser value.
- (D) the store is required to give Winnie her money back as she didn't want the original copy anymore.

Q16

Tran sends 10 SMS messages every day of the week to friends and family. Each SMS costs \$0.20. Tran reduces the number of SMS messages sent to 5 per day.

How much money will Tran save in 52 weeks?

- (A) \$ 52.00
- (B) \$ 72.80
- (C) \$364.00
- (D) \$436.80

Q17

Ned sells pottery at local markets.

The table below shows the details of his financial performance together with an explanation of some of the headings.

Heading	What it is	Ned's actual figures
sales revenue	selling price of goods or services × quantity sold	\$5000
costs of goods sold (COGS)	price paid for stock (including delivery)	\$2000
gross profit	sales revenue minus COGS	?
business expenses	related to running business eg rental of stall	\$1600
<b>net profit</b>	<b>gross profit minus business expenses</b>	?

What was Ned's net profit?

- (A) \$1400
- (B) \$3000
- (C) \$5400
- (D) \$8600

Q18

Some businesses employ a variety of ways to manipulate consumers. One way this happens is when a business sends **unsolicited** goods to the consumer.

What does the term 'unsolicited' mean?

- (A) money owed by the previous owner of the goods
- (B) goods not requested by the consumer
- (C) relating to the law or legal practices
- (D) overvalued goods

Q19

Mitchell is starting his first full-time job. He was informed by his employer that he would need to choose his own superannuation fund. His employer gave him some product disclosure statements (PDS) for different funds so that Mitchell could make an informed choice.

What is a product disclosure statement?

- (A) a glossy brochure selling investment products to consumers
- (B) a chart or graph showing the profitability of a particular investment
- (C) a report written by the ASIC on the security of the investment
- (D) a booklet providing background information on a product including details of risks involved

Q20

Mitchell is concerned about the environment. He was pleased to see that there was a superannuation fund that would invest his superannuation by choosing businesses that valued society and the environment. He decided to invest in this fund.

Which term below best describes Mitchell's investment decision?

- (A) ethical investment
- (B) capital investment
- (C) asset investment
- (D) bank investment

Q21

Susan and her friend visited a restaurant for dinner on a holiday weekend. On their bill was an extra charge for services over a holiday weekend.

This extra charge is called

- (A) a tip.
- (B) a surcharge.
- (C) a commission.
- (D) Goods and Services Tax.

**Q22**

Pablo works in his local video store. His time sheet for last week is shown below.

Day	Normal hours	Time and a half	Double time
Sunday	4	2	2
Monday	0	0	0
Tuesday	0	0	0
Wednesday	8	0	0
Thursday	6	1	0
Friday	6	1	0
Saturday	4	2	1

Pablo's hourly wage rate is \$8.15.

How much did Pablo earn on Saturday?

- (A) \$ 57.05
- (B) \$ 65.20
- (C) \$ 73.35
- (D) \$114.10

**Q23**

Some large retailers offer refunds over and above their legal requirements. This action is known as a goodwill measure.

Why do some retailers make this offer?

- (A) It is encouraging consumers to shop at their retail outlets.
- (B) It is necessary for consumer protection.
- (C) Consumers have a cooling-off period on all purchases.
- (D) Additional conditions can be placed on a consumer's right to ask for a refund.

Q24

Alina recently purchased a new computer. She registered with a local Internet Service Provider (ISP). One month later Alina received her first bill from the ISP. Not only did the bill include details of her usage, but charges for another person as well.

She wrote to the ISP immediately to inform them of the problem. The ISP informed her that there was nothing they could do as the charges had already been added to her account.

Alina was not happy with this response.

Which organisation has the authority to help Alina?

- (A) the Australian Taxation Office
- (B) the Telecommunications Industry Ombudsman
- (C) the Australian Securities and Investment Commission
- (D) her local newspaper which can give the company bad publicity

Q25

Owners of motor vehicles may choose to purchase either Third Party Property or Comprehensive insurance.

- **Third Party Property insurance:** covers the cost of damage your motor vehicle might cause to someone else's motor vehicle or property.
- **Comprehensive insurance:** provides Third Party Property insurance and may also cover your motor vehicle for accidental damage, theft or fire.

For which of these motor vehicles would Third Party Property insurance more likely be purchased rather than Comprehensive insurance?

- (A) a vintage car
- (B) a used car worth \$1,500
- (C) a truck used for work purposes
- (D) a brand new car worth \$40,000

Q26

Abe deposits \$50 into his savings account each month.  
He has \$200 in this account.

On his monthly bank statement, what will his deposit be shown as?

- (A) a fee
- (B) a debit
- (C) a credit
- (D) a balance

Q27

This table shows the rates of pay for a driver delivering pizzas.

Age	Part-Time (\$ per hour)
17 Years	9.50
18 Years	11.08
19 Years	12.66
20 Years	14.24

Joe is 17 years old and works part-time as a driver. He is able to decide his hours of work and would like to earn \$195 a week to cover his expenses and have some left over as savings.

How many hours does he need to work to do this?

- (A) 19
- (B) 20.5
- (C) 21
- (D) 22.5

Q28

The role of the Australian Securities and Investments Commission does **NOT** include

- (A) monitoring share advice.
- (B) managing private share portfolios.
- (C) regulating the financial services industry.
- (D) providing consumer protection in financial services.

Q29

Which of the following is a reason why people might go into business for themselves?

- (A) They like working for someone else.
- (B) They have a great idea that isn't already in the market.
- (C) They don't like risks. They get worried easily. They like security.
- (D) They like receiving a regular wage that they can easily plan their spending around.

Q30

Annie purchased a new car for \$25,000. It depreciated 20% in the first year and 10% per year thereafter.

What was the value of the car at the end of the third year?

- (A) \$21,000
- (B) \$18,000
- (C) \$16,200
- (D) \$15,000