

CONSUMER MATH 40S - INVESTMENTS TEST

Name: _____

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Formulae: $I = PRT$ $A = P\left(1 + \frac{r}{n}\right)^{nt}$ $FV = Pmt\left[\frac{(1+i)^n - 1}{i}\right]$

$$\text{Debt Equity Ratio} = \frac{\text{TotalLiabilities} - \text{Mortgages}}{\text{NetWorth}} \times 100$$

A. Investments:

1. Jamar currently earns \$200 per week working part-time. If Jamar follows the pay-yourself-first principle and puts 10% of every pay check aside and spends the rest, how much will Jamar have available to invest after one year?

(2)

2. Define the following terms and give an example of:

a) equity investment

(2)

b) debt investment

(2)

c) Over the course of life the percentage of equity and debt investments in your portfolio changes. Using the words MORE OF and LESS OF, describe the amount of each a young person would have and an older person would have.

(2)

3. There are various ways to invest your money. For the following people and situations, explain what is the best method to invest their money. (6 marks)