NUNAVUT MATH 20-3 · UNIT 3 · 25 QUESTIONS

Budgets, Interest and Credit — Practice Test

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button to let Brett know so he can fix it.

1 **Leah has a take home pay of $2 800 per month. Her rent is $980 per month. Rent is what percent of her take home pay?**

- A 28%
- B 35%
- C 45%
- D 65%

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2 **An investment of $1 500 earns simple interest at 5% per year. The interest earned in 2 years is**

A $150.00

B $75.00

C $1 650.00

D $300.00

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3 **Leah's monthly take home pay is $3 200. Her monthly expenses are rent $1 100, groceries $450, a car payment $320, a phone bill $85, and other expenses $245. How much money does she have left over each month?**

A $2 200.00

B $1 085.00

C $1 000.00

D $915.00

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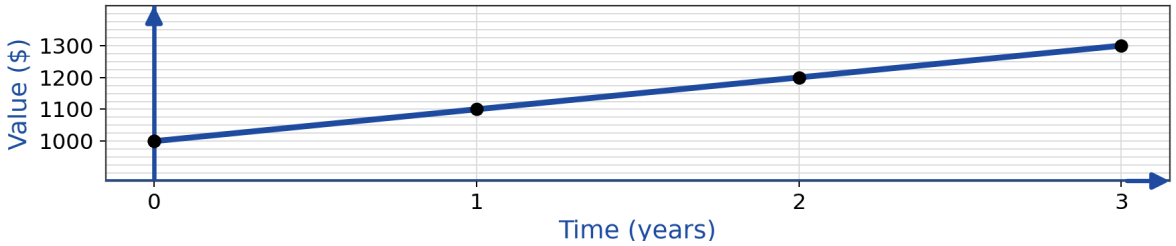
4 **The graph shows the value of a deposit earning simple interest over time. What is the value of the deposit after 2 years?**



- **A** $1100.00
- **B** $1200.00
- **C** $1300.00
- **D** $1000.00

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5 **Which of the following is a fixed expense in a monthly budget?**

- **A** A monthly rent payment of the same amount each month
- **B** Weekly grocery spending that changes from week to week
- **C** Gasoline purchases, which depend on how much you drive
- **D** Money spent on movie tickets and other entertainment

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6 **A credit card has a balance of $800 and charges interest at 20% per year. The interest charged for one month is**

- A $160.00
- B $13.33
- C $1.33
- D $26.67

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7 **A television has a cash price of $600. It is bought on credit with 12 monthly payments of $58. How much more than the cash price does the buyer pay in total?**

- A $696.00
- B $58.00
- C $96.00
- D $120.00

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8 **Which statement about paying with a debit card is correct?**

- A Money for the purchase is taken directly out of your bank account
- B You borrow money from the bank and repay it later with interest
- C The bank charges interest on every purchase you make
- D Your bank balance does not change until the end of the month

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9 **A chequing account at a credit union charges a monthly fee of $12.50, which includes the first 10 transactions. Each extra transaction costs $1.25. Jordan makes 16 transactions in a month. The total account fees for that month are**

- A $12.50
- B $7.50
- C $32.50
- D $20.00

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10 **Simple interest is earned on $2 000 at 6% per year. The interest earned in 8 months is**

- A $120.00
- B $80.00
- C $960.00
- D $96.00

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11 **Priya earns $1 850 per month and wants to save 15% of her pay each month. The amount she should save is**

- A $185.00
- B $27.75
- C $277.50
- D $370.00

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12 **A deposit of $500 earns 4% per year, compounded annually, for 3 years. The compound interest earned is**

- A $62.43
- B $60.00
- C $562.43
- D $20.00

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13 **If you make only the minimum payment on a credit card balance every month, what will happen?**

- A You will pay off the balance within one month at no extra cost
- B No interest will be charged on the balance
- C You will pay exactly the cash price of the items, just more slowly
- D You will take a long time to pay off the balance and pay a lot of interest

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14 **A car loan of $4 000 is repaid with 20 monthly payments of $220. The total interest paid on the loan is**

- A $4 400.00
- B $400.00
- C $220.00
- D $200.00

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15 **A family has a monthly income of $2 400 and spends $360 on groceries and dining out. Food is what percent of the income?**

- A 6.7%
- B 85%
- C 15%
- D 25%

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16 **A principal of $900 earns $54 in simple interest in 1 year. The annual interest rate is**

- A 6%
- B 60%
- C 0.6%
- D 16.7%

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17 **A store credit card charges 28% per year and a bank credit card charges 19% per year. On a balance of $500 carried for one year, how much more interest does the store card charge?**

- A $140.00
- B $95.00
- C $9.00
- D $45.00

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18 **A budget guideline suggests spending no more than 30% of income on housing. With a monthly income of $2 100, the most that should be spent on rent is**

- A $315.00
- B $630.00
- C $1 470.00
- D $700.00

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19 **Sam wants an account for everyday purchases and paying bills, with easy access to his money. Which account at his bank best fits what he wants?**

- A A term deposit that must be left untouched for five years
- B A safety deposit box for storing valuables
- C A chequing account used for daily spending and paying bills
- D A credit card account used for borrowing money

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20 **A number puzzle: when 7 is added to a number and the result is doubled, the answer is 30. The number is**

- A 8
- B 15
- C 23
- D 11

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21 **Lena buys a phone for $720 on a credit card that charges interest at 24% per year. She makes no payments for 3 months. Using simple interest on the original balance, the interest charged is**

- A $172.80
- B $14.40
- C $57.60
- D $43.20

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22 **A monthly income is $2 150. Monthly expenses are rent $950, a car payment $380, food $520, a phone bill $95, entertainment $260, and other expenses $145. By how much do the expenses exceed the income?**

A $2 350.00

B $200.00

C $4 500.00

D $295.00

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23 **An investment of $2 000 earns 8% per year, compounded twice a year, for 1 year. Its value at the end of the year is**

A $2 160.00

B $2 080.00

C $2 163.20

D $2 164.86

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24 **A phone plan increases from $50 per month to $56 per month. The percent increase in the monthly cost is**

A 12%

B 10.7%

C 6%

D 112%

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25 **A loan of $1 200 has a $75 setup fee added to the amount borrowed. Simple interest of 10% per year is charged for 2 years on the full amount, including the fee. The total amount that must be repaid is**

A $1 440.00

B $1 275.00

C $1 515.00

D $1 530.00

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ANSWER KEY

1. B
2. A
3. C
4. B
5. A
6. B
7. C
8. A
9. D
10. B
11. C
12. A
13. D
14. B
15. C
16. A
17. D
18. B
19. C
20. A
21. D
22. B
23. C
24. A
25. D

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