

## Chapter 8 Test

For questions 1 to 4, select the best answer.

1. What bi-weekly deposit is needed to save \$7800 in three years?
  - A \$25
  - B \$75
  - C \$100
  - D \$300
2. Which situation will result in a previously balanced budget becoming unbalanced?
  - A One expense increases so another expense is decreased.
  - B Income increases so expenses are decreased.
  - C One expense increases so another expense is increased.
  - D Income increases so expenses are increased.
3. At the end of each month, Doug deposits \$25 into an account that pays 3.45%, compounded monthly. What is the value of Doug's account after two years?
  - A \$604.60
  - B \$301.10
  - C \$602.29
  - D \$620.26
4. Amy's gross income is \$34 000 per year. Her net income is 85% of this amount. Monthly rent should not exceed one week's net income. What is the maximum rent Amy can afford?
  - A \$751.92
  - B \$555.77
  - C \$653.85
  - D \$2633.33
5. Jasmine owns a three-bedroom semi-detached house. She makes weekly mortgage payments of \$714 and quarterly property tax payments of \$542. She pays \$42 per month for home insurance, \$180 every two months for electricity, \$89 per month for natural gas, and \$95 every two months for water. How much does Jasmine spend on accommodations in one year?
6. Katsuo lives in a two-bedroom apartment. He earns \$750 per month working part time at a restaurant and \$800 per month at a learning centre. His rent is \$850, utilities included. Each month, Katsuo spends approximately \$320 for groceries, \$90 for clothes, \$160 for transportation, \$30 for laundry, and \$50 for telephone service.
  - a) Create a monthly budget for Katsuo and calculate his balance.
  - b) One year later, the restaurant increases Katsuo's hours so he now earns \$900 per month. The learning centre has reduced his hours, so he now earns \$700 per month. Katsuo's rent has increased by 3% and the cost of groceries has increased by 2.5%. Adjust Katsuo's budget and calculate his new balance.
7. Last year Carl's gross income was \$54 000. His net earnings are 80% of his gross earnings. The average rent for a one-bedroom apartment in his town is \$800 per month. The average rent for a two-bedroom apartment is \$975 per month.
  - a) Calculate Carl's weekly net income.
  - b) Can Carl afford to rent a one-bedroom apartment on his own or does he need to share a two-bedroom apartment with a roommate? Explain.

