

FORM 3

CHAPTER 3

Summative Practice

Section A

1 Answer: **B**

$$2 \quad I = Prt$$

$$= 50\,000 \times 3.5\% \times \frac{6}{12}$$

$$= 50\,000 \times \frac{3.5}{100} \times \frac{6}{12}$$

$$= \text{RM}875$$

Answer: **B**

3 Answer: **C**

$$4 \quad I = Prt$$

$$= 4\,000 \times 5\% \times \frac{30}{12}$$

$$= 4\,000 \times \frac{5}{100} \times \frac{30}{12}$$

$$= \text{RM}500$$

$$\text{Monthly instalments} = \frac{4\,000 + 500}{30}$$

$$= \text{RM}150$$

Answer: **B**

5 Return in investment

$$= \frac{480\,000 - 280\,000 + 60\,000 - 35\,000}{280\,000} \times 100\%$$

$$= 80.36\%$$

Answer: **D**

6 $I = Prt$

$$= 4\,000 \times 12\% \times 5$$

$$= 4\,000 \times \frac{12}{100} \times 5$$

$$= \text{RM}2\,400$$

Answer: **C**

Section C

1 (a) Shoplot:

$$\text{Profit} = \text{RM}600\,000 - \text{RM}450\,000$$

$$= \text{RM}150\,000$$

Rate of return

$$= \frac{150\,000}{2}$$

$$= \text{RM}75\,000 \text{ per year}$$

Share investment provides a higher rate of return with a high liquidity than real estate, but shares have higher investment risk.

(b) **First month:**

Interest on the first month

$$= \text{RM}30\,000 \times \frac{6}{100} \times \frac{1}{12}$$

$$= \text{RM}150.00$$

Loan at the end of the month

$$= \text{RM}30\,000 + \text{RM}150$$

$$= \text{RM}30\,150$$

Balance after the first instalment

$$= \text{RM}30\,150 - \text{RM}500$$

$$= \text{RM}29\,650$$

$$7 \quad MV = P \left(1 + \frac{r}{n}\right)^{nt}$$

$$6\,000 = 2\,000 \left(1 + \frac{x}{100}\right)^{20}$$

$$3 = \left(1 + \frac{x}{100}\right)^{20}$$

$$1 + \frac{x}{100} = \sqrt[20]{3}$$

$$1 + \frac{x}{100} = 1.0565$$

$$x = 5.65$$

Answer: **B**

Section B

1 (a)	Mazlan used his savings to buy a shoplot.	Current account
(b)	Suhaila saved some money in the bank and withdraw them using cheques.	Real estate
(c)	Susila saved RM10 000 in a bank for 5 years to receive high interests.	Shares
(d)	James bought 2 000 units of Tenaga shares at a price of RM9.90 per unit in Kuala Lumpur Stock Exchange.	Fixed deposit account

2 (a) Does not require to bring a lot of cash

(b) Overspending

(c) Convenience of purchasing good and services online

(d) For emergency use when lack of cash in hand

3	Types of personal investment	Risk level	Liquidity level
	Fixed deposits	(a) Risk free	(b) High
	Shares	(c) High	(d) Moderate

Shares:

$$\text{Profit} = \text{RM}150\,000 - \text{RM}100\,000$$

$$= \text{RM}50\,000$$

Rate of return

$$= \frac{50\,000}{4}$$

$$= \frac{4}{12}$$

$$= \text{RM}150\,000 \text{ per year}$$

Second month:

Interest on the second month

$$= \text{RM}29\,650 \times \frac{6}{100} \times \frac{1}{12}$$

$$= \text{RM}148.25$$

Total loan for the first two months

$$= \text{RM}150.00 + \text{RM}148.25$$

$$= \text{RM}298.25$$