

Financial Literacy Fundamentals

Finance · Practice Test · 10 Questions

1. What is the term for the price paid for the use of borrowed money, usually expressed as a percentage?

- A) Dividend
- B) Interest
- C) Principal
- D) Tax

2. Which Australian government institution is responsible for issuing the nation's banknotes?

- A) The Treasury
- B) The Australian Taxation Office
- C) Reserve Bank of Australia
- D) The Mint

3. What is the primary purpose of a 'budget' in personal finance?

- A) To increase the cost of goods
- B) To track income and limit spending
- C) To borrow money from a bank
- D) To earn interest on savings

4. In economics, what term describes the physical items that people produce and sell, such as toys or food?

- A) Services
- B) Resources
- C) Goods
- D) Assets

5. What is the term for a person who buys goods or services for personal use?

- A) Producer
- B) Consumer
- C) Distributor
- D) Manufacturer

6. Which of these is considered a 'needs' expense rather than a 'wants' expense?

- A) Video games
- B) Basic clothing
- C) Candy
- D) Movie tickets

7. What do we call the money earned from working, usually paid on a regular schedule like weekly or monthly?

- A) Profit
- B) Debt
- C) Income
- D) Investment

8. When a business makes more money from sales than it spends on costs, what is the remaining money called?

- A) Loss
- B) Revenue
- C) Profit
- D) Budget

9. What is the name of the tax Australia levies on most goods and services, currently set at 10%?

- A) Income Tax
- B) GST
- C) Property Tax
- D) Import Duty

10. What does it mean if an item is considered 'scarce' in an economic sense?

- A) It is very cheap to buy
- B) It is not available to anyone
- C) It is limited in supply
- D) It is of very high quality