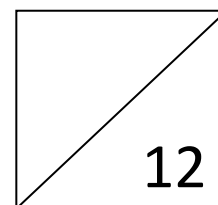


South Tuen Mun Government Secondary School
Business, Accounting and Financial Studies
Paper 1 Revision- Basics of Personal Financial Management Ch.3
DSE Past Paper 2012-2019



Name: _____ Class: _____ () Date: _____

Ch. 3

14-27	<p>Which of the following financial products carries the highest investment risk?</p> <p>A. savings deposits B. time deposits C. preference shares D. ordinary shares</p>
18-25	<p>Which of the following statements about risk and return is correct?</p> <p>A. Market risk can be diversified. B. High-risk financial products must have high returns. C. Risk-averse investors usually prefer investing in bonds to making term deposits. D. Conservative retired persons usually prefer investing in bonds to stocks.</p>
19-20	<p>Which of the following statements about the risks and returns of investments is/are correct?</p> <p>(1) Investing in stocks of companies from different industries can diversify firm-specific risk. (2) Making a deposit into a savings account is risk free. (3) Investors can get capital gains and dividends as returns for investing in bonds.</p> <p>A. (1) only B. (1) and (2) only C. (2) and (3) only D. (1), (2) and (3)</p>
13-25	<p>Mary is a Secondary 5 student. She has just earned \$8000 from her summer job. She plans to use the money for paying her university tuition fee one year later. If she wants to keep the principal and at the same time looks for some returns, which of the following instruments is most suitable to her?</p> <p>A. current account B. fixed deposit C. blue chips D. warrants</p>
16-4	<p>Anna has just retired at the age 65 and has received a substantial amount from a provident fund. She plans to invest the money to get some returns but is not willing to take high risks. Which of the following financial instruments is the least suitable for her?</p> <p>A. term deposits B. saving deposits C. iBond D. shares</p>
17-7	<p>Anna is 62 years old and works as a part-time consultant in a firm, with a monthly salary of \$40 000. Under the Mandatory Provident Fund System, what will be the amount Anna contributes each month?</p> <p>A. \$4000 B. \$2000 C. \$1500 D. \$0</p>

16-25	<p>Simon is a self-employed fashion designer. He</p> <ol style="list-style-type: none"> (1) has the right not to enrol into an Mandatory Provident Fund (MPF) scheme. (2) has the right to make voluntary contributions to the MPF scheme. (3) has the right to withdraw his accrued benefits from the MPF scheme before reaching the age 65 if he migrates to another country. <ol style="list-style-type: none"> A. (1) only B. (2) only C. (3) only D. (2) and (3) only
12-5	<p>Which of the following types of employee is exempted from joining the Mandatory Provident Fund Scheme?</p> <ol style="list-style-type: none"> A. construction workers B. security guards C. catering workers D. domestic employees
15-20	<p>Under which of the following circumstances can a scheme member withdraw the accrued benefits from the Mandatory Provident Fund scheme?</p> <ol style="list-style-type: none"> (1) early retirement at the age 60 (2) unemployed for more than 6 months (3) permanent departure from Hong Kong <ol style="list-style-type: none"> A. (1) and (2) only B. (1) and (3) only C. (2) and (3) only D. (1), (2) and (3)
14-4	<p>Which of the following statements about the Mandatory Provident Fund (MPF) system is correct?</p> <ol style="list-style-type: none"> A. Self-employed persons are not required to enrol in an MPF scheme. B. Employees covered by the MPF system are required to contribute 5% of their income. C. Employees can choose to make extra voluntary contributions in addition to the regular mandatory contributions. D. MPF scheme members can withdraw their accrued benefits when they reach the age of 60.
18-30	<p>Which of the following statements about the Mandatory Provident Fund (MPF) System is correct?</p> <ol style="list-style-type: none"> A. Self-employed persons aged between 16 and 65 are required to join the MPF Scheme. B. Construction workers are exempted from the MPF Scheme. C. MPF scheme members can apply for early withdrawal of the accrued benefits from the MPF Scheme if they are unemployed for more than two years. D. When changing jobs, MPF scheme members can transfer their accrued benefits to another MPF trustee.
19-18	<p>Tracy, aged 35, set up a dessert shop as a sole proprietor in 2015. Since then, she has employed Betty, aged 30, as a part-time helper at a monthly salary of \$5 000. Which of the following statements about the Mandatory Provident Fund (MPF) Scheme is/are correct?</p> <ol style="list-style-type: none"> (1) Tracy needs to enrol herself into an MPF scheme. (2) Tracy needs to enrol Betty into an MPF scheme and make mandatory contributions for her. (3) Betty needs to make mandatory contributions to the MPF Scheme. <ol style="list-style-type: none"> A. (1) only B. (1) and (2) only C. (2) and (3) only D. (1), (2) and (3)