Investment and Finance Unit 2 Test Outline 2016

Tax problem (similar to the ones we did in class and your ICA)

Definition of CPI (what does it measure)

What is CPI made up of?

Relate monetary policy to inflation – how would they change interest rates in relation to inflation/deflation?

Fixed interest rates for mortgages (definition, when is it a good choice, when is it a bad choice)

Variable interest rates for mortgages (definition, when is it a good choice, when is it a bad choice)

Know two positives and two negatives for leasing a car a nd two each for buying a car.

Know when it is a good idea and a poor idea to invest in real estate based on economic conditions and explain (ex. If a sudden immigration of a large amount of individuals to a certain area – how will this affect housing prices and when should you buy or sell in that area).

Know why people would bother opening an RESP (what is this and what is the major draw)

Mortgage terms such as: definitions of mortgage, principle, amortization period, term, renewal date, etc.