NAME :   CLASS :

Chapter 10 : Comprehensive Practice

1.	Why are more young people in Malaysia being declared bankruptcy nowadays?

Answer :

Credit card	spending	financial	loans

1. Do not prepare for .... planning.

2. Not .... wisely.

3. Uncontrolled use of ....

4. Failure to pay off the .... and car instalments..

2.	What is the effect if the cash inflows are less than the cash outflows?

Answer :

Negative cash flow	emergency	bankcruptcy

....of an individual in a financial plan will lead to the individual's

.... and he or she will not have enough savings in case of

....

3.	What is the purpose of creating a financial plan?

Jawapan / *Answer :*

long-term goals	Monthly savings	duration	short-term goals	aim

A financial plan is created with the .... of estimating the initial budget to achieve

goals and .... that are needed to achieve

.... and ...., analyse spending behaviour as well as

setting a .... to achieve the goals..

4.	Give two advantages of reviewing and revising the progress of a financial plan.

Jawapan / *Answer :*

income	nature of spending

1. It gives us some space to refine our..

2. Helps in generating more .... in order to achieve the goal

5.	Describe two factors that make a financial plan difficult to implement.
	Jawapan / *Answer* : economic policies Inflation
	................................., changes in government taxation policies, ... and others.

6.	How should we review and revise the progress of a financial plan?
	Answer : more income spending
	The way of .... can be adjusted based on financial goals. Actions can be taken such as generating...

7.	"The earlier we start saving, the better it is" to achieve our financial goals. Explain.
	Jawapan / *Answer* : financial goals saving habit
	We should start to cultivate the .... as early as possible to ensure that .... can be achieved as planned.

8.	Encik Nabil works as an engineer in a factory with a monthly net salary of RM3 800. He is also a part-time sales agent of product X. The monthly commission earned is estimated to be RM450. The rental collected from the second house is RM600 per month. His estimated monthly expenses are shown below.
	<table><tr><td>Monthly Expenses</td><td>RM</td></tr><tr><td>Housing loan instalment (1)</td><td>800</td></tr><tr><td>Housing loan instalment (2)</td><td>500</td></tr><tr><td>Food expenses</td><td>900</td></tr><tr><td>Utility payments</td><td>150</td></tr><tr><td>Toll and petrol expenses</td><td>200</td></tr><tr><td>Internet service subscription</td><td>100</td></tr><tr><td>Eat at a luxury restaurant</td><td>400</td></tr><tr><td>Insurance expenses</td><td>350</td></tr></table>
	Encik Nabil sets aside 10% of his salary as fixed monthly savings in order to achieve his financial goals.
(*a*)	You are required to create a monthly personal financial plan for Encik Nabil.
(*b*)	Give comments on the surplus or deficit that will be experienced by Encik Nabil based on this financial plan.

Answer :

| Food expenses | House rental | Commissions | Eat at a luxury restaurant |

| Housing loan instalments (2) | Utility payments | Housing loan instalments (1) |

| Internet service subscription | Toll and petrol expenses | Net salary | Insurance expenses |

(a)

Details	Monthly	
Income and Expenditure	RM	
Active income:		
Total active income		
Passive income:		
Total passive income		
Total monthly income		
Minus fixed monthly savings		
Total income after deducting savings		
Minus cash outflow/expenses		
Fixed expenses:		
Total fixed expenses		
Variable expenses:		
Total variable expenses		
Surplus/Deficit		

	(b)	Encik Nabil's personal financial plan has a ....where there is a .... when the total income is more than the total expenses. This has improved Encik Nabil's...

9.		What is the effect if there is
	(a)	a positive cash flow?
	(b)	a negative cash flow?
	Answer :	
	(a)	Positive cash flow – enables .... and achieves goals as planned.
	(b)	Negative cash flow – making it .... for someone to achieve financial goals and more inclined to obtain .... such as credit cards.