

Financial Math Test 8**True/False**

Indicate whether the statement is true or false.

- _____ 1. A lease is a written agreement between a bank and a borrower.
- _____ 2. The length of a room is 21 feet. If a floor plan has a scale of $\frac{1}{2}$ inch = 2 feet, then the length of the room on a floor plan is 5.25 inches.
- _____ 3. According to financial experts, a renter should allow no more than 25% of their gross income for rent.
- _____ 4. A security deposit is used by a landlord to provide protection for the tenants.
- _____ 5. Front-end ratio is the ratio of monthly housing expenses to all expenses.
- _____ 6. Aja made a 20% down payment on a house and was approved for a \$185,000 mortgage. Therefore, she should expect her closing costs to be about \$3,700 to \$12,950.
- _____ 7. Nathan's bedroom has a width of 13 feet, a height of 9 feet, and a length of 14 feet. The level of insulation, i , is 10 and the exposure, e , is 18 because the outside wall faces south. For this room, Nathan should purchase an air conditioner with a BTU rating of about 5,000 BTUs.
- _____ 8. The Jacksons sublet their summer cottage during the winter and spring months. For each month they receive 72% of their monthly mortgage of \$1,750. The Jackson's earn \$1,260 for the six-month period.
- _____ 9. Apple-Gate apartment complex uses the line graph of an exponential regression equation to model their rent increases over the past five years as compared to other complexes in the neighborhood. The Apple-Gate rent increases are less than other complexes in the area, therefore the slope of their graph should be steeper.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 10. How is a condominium different than a single-family dwelling?
- Occupants pay rent to the landlord who owns the property.
 - Occupants are investors who own shares in the entire property and not individual units.
 - Occupants individually own both the home and the land.
 - Occupants jointly own the common parts of the property and individually own their own units.
- _____ 11. There are 15,000 shares in Marybeth's co-op. If Marybeth owns 2% of the cooperative corporation, how many shares does she own?
- | | |
|--------|--------|
| a. 400 | c. 200 |
| b. 300 | d. 100 |

