

SCO INTERNATIONAL OLYMPIAD

GRADE 7 FINANCE OLYMPIAD

Official Question Paper Set K

Designed from Grade 7 financial-literacy pathways: compound interest, goal-based planning, emergency funds and insurance basics.

- academic, globally aligned, PDF-ready learning and assessment resource
- designed for students, teachers, parents, and schools
- structured for guided preparation, practice, reporting, and future-ready financial capability

Compound Interest	Goal-Based Planning	Emergency Funds	Insurance Basics	Budget Revision
Risk & Reward	Financial Planning	Data Interpretation	Decision Making	Money Safety

SCO International Finance Olympiad - Grade 7

Question Paper Set K

Detail	Description
Exam Name	SCO International Finance Olympiad
Class / Grade	Grade 7
Duration	60 minutes
Type of Exam	Objective Type / Multiple Choice Questions
Number of Questions	50
Core Focus	Compound interest, goal-based planning, emergency funds, insurance basics, financial decision-making

Section A: Compound Interest and Time-Value Reasoning

Q1. Which statement best explains compound interest?

1. Interest is earned only on the original principal forever.
2. Interest is earned on the original principal and on previously earned interest.
3. Interest is money removed from savings every month.
4. Interest is the same as a shopping discount.

Answer Key: 2

Explanation: Compound interest grows because each period's interest is added to the balance, so future interest can be calculated on a larger amount.

Topic: Compound Interest

Q2. A student saves 1,000 money units at 10% compound interest per year for 2 years. What is the amount after 2 years?

1. 1,100
2. 1,200
3. 1,210
4. 1,250

Answer Key: 3

Explanation: Year 1 amount = $1,000 + 10\% \text{ of } 1,000 = 1,100$. Year 2 amount = $1,100 + 10\% \text{ of } 1,100 = 1,210$.

Topic: Compound Interest

Q3. Sameer compares simple and compound interest on 2,000 money units at 5% per year for 2 years. Which option is correct?

1. Simple interest = 200 and compound amount = 2,205
2. Simple interest = 205 and compound amount = 2,200
3. Both give exactly 2,200 amount
4. Compound interest is always lower than simple interest

Answer Key: 1

Explanation: Simple interest for two years = $2,000 \times 5\% \times 2 = 200$. Compound amount = $2,000 \times 1.05 \times 1.05 = 2,205$.

Topic: Simple vs Compound Interest

Q4. A bank compounds annually at 8%. If the opening balance is 500, what is the amount after one year?

1. 508
2. 540
3. 580
4. 620

Answer Key: 2

Explanation: 8% of 500 is 40. Amount after one year = $500 + 40 = 540$.

Topic: Compound Interest

Q5. Which factor increases the effect of compounding most strongly?

1. Longer time while money remains invested
2. Spending interest immediately every year
3. Keeping the same balance without any interest
4. Avoiding all records

Answer Key: 1

Explanation: Compounding becomes powerful when interest remains in the account for more time, because interest can then earn further interest.

Topic: Time-Value Reasoning

Q6. A savings account grows from 800 to 840 in the first year at 5% interest. If interest is compounded, what balance is used to calculate second-year interest?

1. 800
2. 820
3. 840
4. 880

Answer Key: 3

Explanation: Under compounding, the new balance after year 1 becomes the base for year 2. Therefore, 840 is used.

Topic: Compound Interest

Q7. Nina can save 600 now for 3 years at compound interest, or wait 2 years and save 600 for only 1 year. Which has the stronger growth chance?

1. Saving now, because time helps compounding
2. Waiting, because fewer years always means more growth
3. Both must give the same result
4. Neither can earn interest

Answer Key: 1

Explanation: Starting earlier allows more compounding periods. Time is a key input in financial growth.

Topic: Time-Value Reasoning

Q8. A 1,500-unit deposit earns 6% compound interest for one year. What is the interest for that first year?

1. 60
2. 75
3. 90
4. 150

Answer Key: 3

Explanation: 6% of 1,500 = 90. After the first year, the amount becomes 1,590.

Topic: Compound Interest

Q9. A student says, 'Compound interest means the bank adds the same fixed amount every year, no matter what the balance is.' What is wrong with this statement?

1. Compound interest is based on the current balance, not always a fixed amount.
2. Compound interest never uses a balance.
3. Compound interest means paying a fee.
4. The statement is fully correct.

Answer Key: 1

Explanation: When interest is compounded, the base can change as previous interest is added to the balance.

Topic: Conceptual Understanding

Q10. Which calculation shows 2 years of 10% annual compounding on 300 units?

1. $300 + 10 + 10$
2. $300 \times 1.10 \times 1.10$
3. $300 \times 10 \times 2$
4. $300 - 10 - 10$

Answer Key: 2

Explanation: A 10% increase is multiplying by 1.10. Two annual compounding periods means multiplying by 1.10 twice.

Topic: Compound Interest Formula

Section B: Goal-Based Planning and Budget Revision

Q11. A goal costs 3,600 money units. Riya has 1,200 saved and 8 months left. How much should she save per month to reach the goal exactly?

1. 250
2. 275
3. 300
4. 350

Answer Key: 3

Explanation: Remaining amount = $3,600 - 1,200 = 2,400$. Monthly saving = $2,400 / 8 = 300$.

Topic: Goal-Based Planning

Q12. A student wants an emergency fund of 3 months of essential expenses. If essential monthly expenses are 900 units, what emergency fund target is reasonable?

1. 900
2. 1,800
3. 2,700
4. 3,600

Answer Key: 3

Explanation: Three months of essential expenses = $900 \times 3 = 2,700$.

Topic: Emergency Funds

Q13. Which expense should normally be protected first in a budget revision?

1. Essential school transport
2. Extra game tokens
3. Festival snacks
4. Decorative stickers

Answer Key: 1

Explanation: Essential expenses connected to school and safety should usually be protected before optional wants.

Topic: Budget Revision

Q14. Mehul planned to save 500 units monthly, but income fell by 150. Which revision is most balanced?

1. Ignore the income change
2. Reduce a flexible entertainment item by 150
3. Remove all emergency savings forever
4. Borrow 150 without a repayment plan

Answer Key: 2

Explanation: If income falls, the budget must be revised. Flexible wants should often be reduced before essential needs or long-term goals.

Topic: Goal-Based Planning

Q15. Which plan best shows goal-based planning?

1. 'I will save whatever is left, if anything.'
2. 'I need 4,800 in 12 months, so I will save 400 each month.'
3. 'I will buy first and think later.'
4. 'I will not track money because goals are stressful.'

Answer Key: 2

Explanation: A clear target, timeline, and monthly milestone make the plan measurable.

Topic: Goal-Based Planning

Q16. A plan requires saving 250 per month for 10 months. After 4 months, how much should already be saved if the student is on track?

1. 750
2. 1,000
3. 1,250
4. 2,500

Answer Key: 2

Explanation: Milestone after 4 months = $250 \times 4 = 1,000$.

Topic: Milestones

Q17. A family has essential monthly expenses of 2,400. Their emergency fund is 4,800. How many months of essential expenses does it cover?

1. 1 month
2. 2 months
3. 3 months
4. 4 months

Answer Key: 2

Explanation: Months covered = $4,800 / 2,400 = 2$ months.

Topic: Emergency Funds

Q18. Which situation is the best use of an emergency fund?

1. Replacing a broken school bag needed for daily use
2. Buying a larger packet of sweets
3. Upgrading a game avatar
4. Buying a decorative keychain

Answer Key: 1

Explanation: Emergency funds are for necessary, unexpected costs, not ordinary wants.

Topic: Emergency Funds

Q19. An emergency fund should mainly be kept for which purpose?

1. Unplanned essential needs

2. Making all shopping free
3. Avoiding records
4. Increasing peer pressure

Answer Key: 1

Explanation: The fund protects against unexpected needs such as health, repair, travel, or essential school costs.

Topic: Emergency Funds

Q20. Which budget revision keeps savings and school needs unchanged? Original: savings 700, school 500, snacks 250, games 350. A new health cost of 300 appears.

1. Reduce snacks by 100 and games by 200
2. Reduce school by 300
3. Reduce savings by 300
4. Add 300 without changing anything

Answer Key: 1

Explanation: The revised flexible categories provide 300 while keeping savings and school needs untouched.

Topic: Budget Revision

Section C: Emergency Funds and Insurance Basics

Q21. What is an insurance premium?

1. The amount paid to keep insurance protection active
2. The full value of every item owned
3. A withdrawal from a bank account only
4. A discount at a store

Answer Key: 1

Explanation: A premium is the regular payment made for an insurance policy.

Topic: Insurance Basics

Q22. What is an insurance claim?

1. A request for payment/support after a covered loss
2. A goal-saving chart
3. A bank password
4. A shopping receipt only

Answer Key: 1

Explanation: When a covered event happens, the insured person may file a claim according to the policy rules.

Topic: Insurance Basics

Q23. What does insurance coverage mean?

1. What risks or losses the policy agrees to protect
2. The colour of the policy document
3. The number of coins in a piggy bank
4. A fee charged for late homework

Answer Key: 1

Explanation: Coverage describes what the insurance policy includes and protects.

Topic: Insurance Basics

Q24. What is a deductible in insurance?

1. The amount the insured person may need to pay before insurance pays the rest
2. Extra reward interest
3. A kind of bank deposit
4. A festival discount

Answer Key: 1

Explanation: A deductible is the portion of an approved loss that the policyholder pays first, depending on the policy.

Topic: Insurance Basics

Q25. Which example best matches travel insurance?

1. Protection against certain losses during a trip
2. Interest on a savings account
3. A tax on classroom books
4. A grocery discount only

Answer Key: 1

Explanation: Travel insurance may cover specified travel-related risks such as cancellations, medical emergencies, or lost baggage, depending on the policy.

Topic: Types of Insurance

Q26. Which insurance is most connected with doctor or hospital costs?

1. Health insurance
2. Vehicle insurance
3. Home insurance
4. Travel baggage tag

Answer Key: 1

Explanation: Health insurance helps reduce the financial burden of covered medical expenses.

Topic: Types of Insurance

Q27. Which statement is most accurate about insurance?

1. It removes every possible risk completely.
2. It helps reduce financial loss for covered risks.
3. It guarantees profit every month.
4. It replaces the need for emergency funds.

Answer Key: 2

Explanation: Insurance does not remove all risk, but it can reduce the financial impact of covered events.

Topic: Risk Protection

Q28. A bicycle insurance policy covers theft after a deductible of 200. A covered stolen bicycle is valued at 1,500. What amount may insurance pay, ignoring other limits?

1. 200
2. 1,300
3. 1,500
4. 1,700

Answer Key: 2

Explanation: Insurance payout after deductible = $1,500 - 200 = 1,300$.

Topic: Deductible

Q29. A monthly premium is 60 units. What is the yearly premium cost?

1. 600
2. 660
3. 720
4. 780

Answer Key: 3

Explanation: There are 12 months in a year, so yearly premium = $60 \times 12 = 720$.

Topic: Premiums

Q30. Which is the best comparison before choosing insurance?

1. Premium, coverage, deductible, exclusions and claim process
2. Only the colour of the advertisement
3. Only the longest word in the document
4. Only the seller's promise without reading

Answer Key: 1

Explanation: Good financial decision-making compares cost, protection, limits, exclusions, and claim requirements.

Topic: Insurance Decision-Making

Q31. A student wants to save 9,000 for a laptop in 15 months. How much is needed per month if no interest is assumed?

1. 500
2. 550
3. 600
4. 650

Answer Key: 3

Explanation: Monthly saving = $9,000 / 15 = 600$.

Topic: Goal-Based Planning

Q32. A plan has monthly income 2,000 and essential expenses 1,350. The student wants to save 400. How much remains for flexible spending?

1. 150
2. 250
3. 400
4. 650

Answer Key: 2

Explanation: Flexible amount = $2,000 - 1,350 - 400 = 250$.

Topic: Budget Planning

Q33. Which plan is more resilient?

1. A plan with emergency reserve and tracked milestones
2. A plan with only entertainment spending

3. A plan that ignores changing expenses
4. A plan with no record of money

Answer Key: 1

Explanation: Financial resilience improves when goals, records, and emergency reserves are included.

Topic: Financial Resilience

Q34. An emergency fund target is 6,000. The current fund is 4,350. How much more is needed?

1. 1,350
2. 1,450
3. 1,650
4. 2,350

Answer Key: 3

Explanation: Needed amount = $6,000 - 4,350 = 1,650$.

Topic: Emergency Funds

Q35. Which is an example of a trade-off?

1. Reducing movie spending to save faster for a study tablet
2. Spending without checking balance
3. Buying everything immediately
4. Ignoring all goals

Answer Key: 1

Explanation: A trade-off is choosing one use of money over another because resources are limited.

Topic: Trade-Offs

Section D: Case Studies and Data Interpretation

Q36. Case Study: A savings account has 2,000. It earns 5% compound interest in Year 1 and again 5% in Year 2. What is the final amount?

1. 2,100
2. 2,200
3. 2,205
4. 2,250

Answer Key: 3

Explanation: Year 1: $2,000 \times 1.05 = 2,100$. Year 2: $2,100 \times 1.05 = 2,205$.

Topic: Case Study: Compound Interest

Q37. Case Study: A student has a goal of 5,000 in 10 months. After 4 months, she has saved 1,600. How much must she save per month for the remaining 6 months?

1. 500
2. 550
3. 567
4. 600

Answer Key: 3

Explanation: Remaining amount = $5,000 - 1,600 = 3,400$. Remaining months = 6. $3,400/6 \approx 566.67$, so about 567 per month.

Topic: Case Study: Goal Revision

Q38. Case Study: A family wants a 3-month emergency fund. Essential expenses are rent 1,000, food 700, transport 300. What is the target?

1. 2,000
2. 3,000
3. 4,000
4. 6,000

Answer Key: 4

Explanation: Monthly essential expenses = $1,000 + 700 + 300 = 2,000$. Three months = $2,000 \times 3 = 6,000$.

Topic: Case Study: Emergency Fund

Q39. Case Study: Insurance premium is 120 per month. Deductible is 500. A covered loss is 3,000. What is the estimated claim payment after deductible?

1. 500
2. 2,500
3. 3,000
4. 3,500

Answer Key: 2

Explanation: Claim payment after deductible = $3,000 - 500 = 2,500$, assuming no other limits or exclusions.

Topic: Case Study: Insurance

Q40. Case Study: A budget has income 4,000, savings 900, essentials 2,300, flexible spending 800. A new repair cost of 300 appears. Which revised plan keeps savings unchanged?

1. Reduce flexible spending to 500
2. Reduce essentials to 2,000
3. Increase total spending to 4,300
4. Remove all savings

Answer Key: 1

Explanation: The repair can be covered by reducing flexible spending from 800 to 500, while savings remains 900.

Topic: Case Study: Budget Revision

Q41. Match the idea: Principal, Interest, Amount, Time. Which option is correct? A. Principal B. Interest C. Amount D. Time / P. Original money saved Q. Extra earned R. Principal plus interest S. Period money stays saved

1. A-P, B-Q, C-R, D-S
2. A-Q, B-P, C-R, D-S
3. A-P, B-R, C-Q, D-S
4. A-S, B-Q, C-R, D-P

Answer Key: 1

Explanation: Principal is original money, interest is extra earned, amount is principal plus interest, and time is the saving period.

Topic: Matching: Compound Interest

Q42. Match insurance terms: A. Premium B. Claim C. Coverage D. Deductible / P. What is protected Q. Amount paid for policy R. Request after covered loss S. Amount paid first by insured

1. A-Q, B-R, C-P, D-S
2. A-R, B-Q, C-P, D-S
3. A-Q, B-S, C-P, D-R
4. A-P, B-R, C-Q, D-S

Answer Key: 1

Explanation: Premium is policy cost, claim is a request after loss, coverage is the protection scope, and deductible is what the insured may pay first.

Topic: Matching: Insurance

Q43. A savings goal is 12,000. Current balance is 3,600. The student can save 700 per month. Approximately how many full months are needed to reach or exceed the goal?

1. 10 months
2. 11 months
3. 12 months
4. 13 months

Answer Key: 3

Explanation: Remaining = $12,000 - 3,600 = 8,400$. $8,400 / 700 = 12$ months.

Topic: Goal-Based Planning

Q44. Which is the most financially responsible order?

1. Essentials, emergency reserve, goal saving, flexible wants
2. Wants, gifts, games, essentials
3. Spend first, record later only if money remains
4. Borrow first, save last

Answer Key: 1

Explanation: Responsible planning protects essential needs and safety before optional spending.

Topic: Priority Setting

Q45. A compound plan grows 1,000 to 1,050 in year 1. In year 2, the account earns 52.50. Why is year 2 interest higher than year 1 interest?

1. Because interest was calculated on 1,050 instead of only 1,000
2. Because the bank forgot the formula
3. Because withdrawals increase interest
4. Because the rate became zero

Answer Key: 1

Explanation: Compounding uses the new balance, which includes previous interest. 5% of 1,050 is 52.50.

Topic: Compound Growth

Section E: Achievers Section

Q46. Achievers: A student invests 5,000 at 6% compounded annually for 2 years. Which is closest to the compound interest earned?

1. 600
2. 618
3. 650
4. 800

Answer Key: 2

Explanation: Amount = $5,000 \times 1.06 \times 1.06 = 5,618$. Compound interest = $5,618 - 5,000 = 618$.

Topic: Achievers: Compound Interest

Q47. Achievers: A goal of 18,000 must be reached in 18 months. Current savings are 6,300. If the student expects 900 bonus in month 12, how much must be saved monthly?

1. 550
2. 600
3. 650
4. 700

Answer Key: 2

Explanation: Amount still needed from monthly saving = $18,000 - 6,300 - 900 = 10,800$. Monthly saving = $10,800 / 18 = 600$.

Topic: Achievers: Goal Plan

Q48. Achievers: A 4-month emergency fund target is based on essentials of 1,250 monthly. The student already has 3,400. How much more is needed?

1. 1,200
2. 1,400
3. 1,600
4. 1,800

Answer Key: 3

Explanation: Target = $1,250 \times 4 = 5,000$. More needed = $5,000 - 3,400 = 1,600$.

Topic: Achievers: Emergency Fund

Q49. Achievers: An insurance policy has annual premium 1,200 and deductible 800. A covered loss of 6,500 occurs. Ignoring other limits, total out-of-pocket cost related to the policy year and claim is closest to what?

1. 800
2. 1,200
3. 2,000
4. 6,500

Answer Key: 3

Explanation: The student/family pays annual premium of 1,200 and deductible of 800, so related out-of-pocket cost is 2,000.

Topic: Achievers: Insurance

Q50. Achievers: Plan A compounds 2,000 at 5% for 3 years. Plan B compounds 2,000 at 7% for 2 years. Which amount is higher?

1. Plan A
2. Plan B
3. Both are equal
4. Cannot compare with the data

Answer Key: 1

Explanation: Plan A = $2,000 \times 1.05 \times 1.05 \times 1.05 = 2,315.25$. Plan B = $2,000 \times 1.07 \times 1.07 = 2,289.80$. Therefore, Plan A is higher.

Topic: Achievers: Comparison

Answer Key Summary

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	2	2	3	3	1	4	2	5	1
6	3	7	1	8	3	9	1	10	2
11	3	12	3	13	1	14	2	15	2
16	2	17	2	18	1	19	1	20	1
21	1	22	1	23	1	24	1	25	1
26	1	27	2	28	2	29	3	30	1
31	3	32	2	33	1	34	3	35	1
36	3	37	3	38	4	39	2	40	1
41	1	42	1	43	3	44	1	45	1
46	2	47	2	48	3	49	3	50	1

Academic Quality Note

This official paper uses age-appropriate financial situations, multi-step numerical reasoning, and scenario-based decisions. It is aligned with the Grade 7 progression from formula application to planning, risk protection and responsible decision-making.