

## **Business and Personal Finance © 2012**

### **Chapter 20: Real Estate and Other Investments**

#### **Check Your Answers: Section Assessment**

##### **Section 2**

##### **Review Key Concepts**

1. Gold, platinum, palladium, rhodium, silver, diamonds, sapphires, rubies, and emeralds.
2. They are small, durable, easy to store, and offer some degree of protection against inflation.
3. Collectibles offer the knowledgeable collector or investor both pleasure and an opportunity for profit. The Internet has made buying and selling collectibles efficient and convenient.
4. Storing precious metals can be difficult due to size and weight, and they do not earn interest like stocks or bonds; gems are not easy to convert into cash; global, economic, financial, and political factors affect the supply and pricing of precious metals and gems.

##### **Higher Order Thinking**

5. Research quality and current values; do not assume that claims about condition or value are true, or that photographs are accurate—print out and save the description and any photos to document the claims; only conduct business with reputable dealers and auction sites; get the name, physical street address, email address, and phone number of contacts; be cautious when dealing with other countries.

##### **English Language Arts**

6. **Show and Tell** Answers will vary depending on collection. Students should describe their process in determining the value and history of the items. Presentations should include information about the value, history, and manner of trade.

##### **Mathematics**

7. **Buying Gold** 2009:  $(1/3) \times 15 \text{ oz.} = 5 \text{ oz.}$ ; Sale:  $5 \text{ oz.} \times \$944 = \$4,720.00$ ; Investment:  $5 \text{ oz.} \times \$422 = \$2,110.00$ ; Profit =  $\$4,720.00 - \$2,110.00 = \$2,610.00$ . 2010:  $(2/3) \times 15 \text{ oz.} = 10 \text{ oz.}$ ;  $10 \text{ oz.} \times \$1,254 = \$12,540.00$ ;  $10 \text{ oz.} \times \$422 = \$4,220.00$ ; Profit =  $\$12,540.00 - \$4,220.00 = \$8,320.00$ . All sold in 2009: Sale:  $15 \text{ oz.} \times \$944 = \$14,160.00$ ; Investment:  $15 \text{ oz.} \times \$422 = \$6,330.00$ ; Profit =  $\$14,160.00 - \$6,330.00 = \$7,830.00$ . All sold in 2010:  $15 \text{ oz.} \times \$1,254.00 = \$18,810.00$ ; Profit =  $\$18,810.00 - \$6,330.00 = \$12,480.00$