



Grade 5

INTERNATIONAL FINANCE OLYMPIAD

2025

Total Questions: 50

Total Marks: 50

Time: 1hr

Set: A

1. Evolution of Money

1. What is one advantage of digital payments?
 - a) Easy to carry and use
 - b) Works only in specific shops
 - c) Needs coins to function

Answer: a) Easy to carry and use
 2. Which of these was the first form of trade?
 - a) Coins
 - b) Barter system
 - c) Paper money

Answer: b) Barter system
 3. Why are currency notes important?
 - a) They represent a country's economy and allow transactions
 - b) They can be used as toys
 - c) They are available everywhere for free

Answer: a) They represent a country's economy and allow transactions
 4. What does digital money require to function?
 - a) Internet or electronic systems
 - b) Only coins
 - c) Paper notes

Answer: a) Internet or electronic systems
 5. What is a drawback of the barter system?
 - a) It is difficult to find someone who has what you need
 - b) It works in all situations
 - c) It involves digital payments

Answer: a) It is difficult to find someone who has what you need
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2. Advanced Banking Concepts

6. What type of bank account is best for long-term savings?
 - a) Fixed deposit account
 - b) Current account
 - c) Joint account

Answer: a) Fixed deposit account

7. Which of these is a safety tip for online banking?
a) Never share your PIN or password
b) Save your passwords on public devices
c) Share your OTP with anyone who asks
Answer: a) Never share your PIN or password
8. What does the central bank of a country do?
a) Regulates the banking system and issues currency
b) Only manages ATM services
c) Gives loans to customers directly
Answer: a) Regulates the banking system and issues currency
9. How do banks help in the economy?
a) By storing and lending money
b) By producing goods
c) By running local markets
Answer: a) By storing and lending money
10. What does interest mean in banking?
a) Extra money paid by banks on savings or charged on loans
b) A tax collected by the government
c) A fee for using credit cards
Answer: a) Extra money paid by banks on savings or charged on loans
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3. Commerce and Trade Basics

11. What is an example of local trade?
a) Buying vegetables from a nearby market
b) Exporting spices to another country
c) Selling goods online
Answer: a) Buying vegetables from a nearby market
12. What determines the price of goods?
a) Supply and demand
b) How fast the goods are delivered
c) The number of buyers only
Answer: a) Supply and demand
13. Why is e-commerce growing?
a) It makes shopping more convenient and accessible
b) It is slower than traditional markets
c) It does not require any transportation
Answer: a) It makes shopping more convenient and accessible
14. What is an example of international trade?
a) Importing electronics from another country
b) Buying groceries from a local shop
c) Selling toys to friends
Answer: a) Importing electronics from another country

15. What helps goods reach consumers from factories?

- a) Transportation
- b) Banks
- c) Schools

Answer: a) Transportation

4. Financial Literacy Skills

16. What is a budget?

- a) A plan for income and expenses
- b) A loan from the bank
- c) A type of tax

Answer: a) A plan for income and expenses

17. Why is it smart to save a part of your income?

- a) To prepare for future needs and emergencies
- b) To avoid spending money wisely
- c) To pay unnecessary taxes

Answer: a) To prepare for future needs and emergencies

18. What is a good example of a saving goal?

- a) Saving for a new bicycle
- b) Spending all your money on video games
- c) Buying chocolates every day

Answer: a) Saving for a new bicycle

19. What does investing mean?

- a) Using money to make more money over time
- b) Spending money on daily needs only
- c) Taking loans from banks

Answer: a) Using money to make more money over time

20. What is a good spending habit?

- a) Prioritizing needs over wants
- b) Spending all your money at once
- c) Avoiding any savings

Answer: a) Prioritizing needs over wants

5. Introduction to Taxes

21. Why do governments collect taxes?

- a) To fund public services like schools and hospitals
- b) To give money back to people
- c) To keep for themselves

Answer: a) To fund public services like schools and hospitals

22. What is an example of a public service funded by taxes?
- a) Building roads and highways
 - b) Buying toys for officials
 - c) Printing fake money
- Answer:** a) Building roads and highways
23. What happens if taxes are not collected?
- a) Governments may not have money for public services
 - b) Everyone becomes rich
 - c) Banks close down
- Answer:** a) Governments may not have money for public services
24. What is income tax?
- a) A tax on the money people earn
 - b) A tax on the goods people buy
 - c) A tax on the loans people take
- Answer:** a) A tax on the money people earn
25. What is sales tax?
- a) A tax on goods and services purchased
 - b) A tax on savings accounts
 - c) A tax on borrowed money
- Answer:** a) A tax on goods and services purchased
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6. Financial Safety and Ethics

26. What should you do if you suspect a financial scam?
- a) Inform a trusted adult or authority
 - b) Share your details immediately
 - c) Ignore it and forget
- Answer:** a) Inform a trusted adult or authority
27. Why is honesty important in financial dealings?
- a) It builds trust in business and personal relationships
 - b) It makes earning money slower
 - c) It reduces the need for banking
- Answer:** a) It builds trust in business and personal relationships
28. What is phishing?
- a) A scam where someone tries to steal your personal or financial details online
 - b) A type of online shopping
 - c) A safe way to transfer money
- Answer:** a) A scam where someone tries to steal your personal or financial details online
29. Why is financial safety important?
- a) To protect your money and personal details
 - b) To spend as much as possible

c) To make saving difficult

Answer: a) To protect your money and personal details

30. What should you NOT do while using an ATM?

a) Cover your PIN when entering it

b) Share your PIN with others

c) Take your receipt after the transaction

Answer: b) Share your PIN with others