

Te whai hua - kia ora!

**sorted**  
*in Schools*



**Motu Quest**  
Student workbook

**Lake Island**

[sortedinschools.org.nz](http://sortedinschools.org.nz)

## About Lake Island

### Kaaraki!

Welcome! to Motu Te nei Lake island.

Look at this lake surrounded by palm trees. Interesting! This island is influenced by Kiribati. How much do you know about Kiribati?

'The name Kiribati was adopted in 1979 at independence. It is the Gilbertese rendition of Gilberts, the plural of the English name of the nation's main archipelago, the Gilbert Islands. The pronunciation differs. Kiribass is the normal pronunciation as -ti in the Gilbertese language represents an s sound.'

'The people of Kiribati speak Gilbertese, an Oceanic language. English is the other official language, but is not used very often outside the island capital of Tarawa. It is more likely that some English words are mixed in their use with Gilbertese.'

'Football is the most popular sport in Kiribati. The Kiribati football stadium is Bairiki National Stadium, which has a capacity of 2,500.'



## What is your challenge to complete in this island?

To collect the financial knowledge from Lake island, you need to complete the challenge about 'Debt'.

In the challenge, you need to answer at least 8 questions correctly about Debt to pass the challenge.

If you need help answering any of the questions, there is an additional resource link next to the question that will contain the information to help you answer that particular question.

Please ask your teacher to mark your answers and if you don't get 8 questions correct, you need to try them again.

**Tekeraoi!**  
*Good luck!*



## Challenge questions

Please choose 10 questions to solve. When you are completed, ask your Teacher to mark your answers.



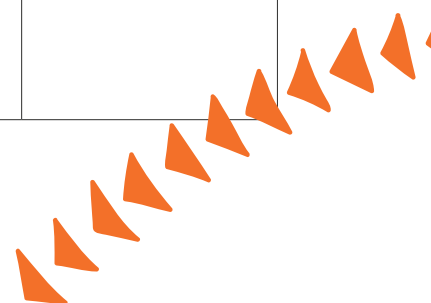
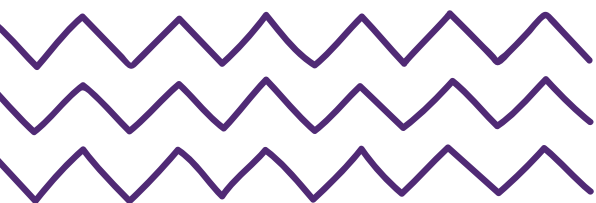
Questions	Level	Your answer	Additional resource
<b>When you borrow money for something that loses value after you purchase it, what kind of debt is that?</b> a) good debt b) bad debt	Easy		<a href="#">BrainBusters</a>
<b>When talking about an informal debt, what letter is put with I and O to make a 3 letter abbreviation?</b> a) B b) N c) U d) Y	Easy		<a href="#">BrainBusters</a>
<b>Good debt is...</b> a) Buying something that increases in value b) Buying something you really want and makes you happy c) Paying for something for a friend d) Buying something that needs to be fixed up	Easy		<a href="#">Debt PowerPoint</a>
<b>What is debt?</b> a) Spending money before you have it b) Spending money you have saved c) Spending money from your retirement fund d) None of the above	Easy		<a href="#">Debt PowerPoint</a>
<b>Which of the following options is a good reason to get a loan?</b> a) Mobile phone b) House c) Shoes d) Jetski	Easy		<a href="#">Debt PowerPoint</a>
<b>Which statement about debt is correct?</b> a) Debt is hard to get into and easy to get out of! b) Debt is hard to get into and hard to get out of! c) Debt is too easy to get into and really hard to get out of!	Easy		<a href="#">Debt PowerPoint</a>
<b>Why do people get in so much trouble with their debt?</b> a) Because people take on too much debt b) Because people buy too many things that loose value c) Because people can't afford to make the regular repayments d) All of the above	Easy		<a href="#">Debt PowerPoint</a>

<b>Which of the following items may increase in value over time?</b> a) Car b) Household appliance c) Home	Easy		<a href="#">Sorted Debt booklet</a>
<b>Why can debt be expensive?</b> a) High interest rate and fees make any loan more expensive b) Because you have to pay the bank to give you a loan c) When you stop paying the loan you will need to pay a fine	Easy		<a href="#">Debt infographic</a>
<b>What is a good way to deal with debt?</b> a) Pay off higher-interest debt first b) Borrow more than you need c) Borrow where you can get a loan as quickly as possible	Easy		<a href="#">Debt infographic</a>
<b>What happens when you can't pay back your debt?</b> a) Additional interest and fees are added and cost can escalate b) You will never get a loan again c) You will be fined	Easy		<a href="#">Debt infographic</a>
<b>Can you ask your bank to give you a better interest rate on your debt?</b> a) Yes b) No	Easy		<a href="#">Exploring debt/ nama</a>
<b>Which of the following statement is a good tip for managing a credit card?</b> a) Shop around for the best deal b) Pay off your credit card every month c) Stick to one credit card d) All of the above	Easy		<a href="#">Exploring debt/ nama</a>
<b>The te reo Māori word for debt is nama</b> a) True b) False	Easy		<a href="#">Glossary</a>
<b>It is always a bad idea to get into debt</b> a) True b) False	Easy		<a href="#">Exploring debt/ nama</a>
<b>A mortgage is a form of debt</b> a) True b) False	Easy		<a href="#">Glossary</a>
<b>A borrower is someone who borrows someone else's money</b> a) True b) False	Easy		<a href="#">Glossary</a>
<b>Credit is money you can get to buy goods and services you pay for later</b> a) True b) False	Easy		<a href="#">Glossary</a>



Questions	Level	Your answer	Additional resource
<b>Debt can be risky. You may not be able to repay the loan if your situation changes. This can be risky for who?</b> a) the lender b) the borrower c) the lender and borrower	Hard		<a href="#">Debt PowerPoint</a>
<b>Why does debt make your financial situation harder?</b> a) Because you will need to pay twice the original amount in interest b) You can't spend money because you're still paying for the things you bought with a loan. c) Because the banks make you borrow a lot more than you actually need	Hard		<a href="#">Debt PowerPoint</a>
<b>What is a good way to pay off your debt?</b> a) Spend less than you earn, so you can pay off your debt b) Ask friends and whanau to give you money c) Set up a separate account d) Invest your earning and pay off your debt from the interest you earned	Hard		<a href="#">Debt PowerPoint</a>
<b>Why is saving for something better than borrowing?</b> a) Because you have to pay interest on any money you borrow b) You can't spend money because you're still paying for the things you bought with a loan c) Things loose value as soon as you buy them d) All of the above	Hard		<a href="#">Debt PowerPoint</a>
<b>If you have a few loans, what is the best way to pay less interest?</b> a) Investment strategies b) Interest agreement c) Debt consolidation	Hard		<a href="#">Sorted Debt booklet</a>
<b>What does debt consolidation mean?</b> a) Grouping high interest debt into a single loan with a lower interest rate b) Splitting all of your loans out and get the best interest rate on each individual loan	Hard		<a href="#">Sorted Debt booklet</a>
<b>Why does it cost you more when it takes longer to pay off your debt?</b> a) Because you pay more in interest and fees b) Because you pay a higher interest rate, when you pay longer c) Because there are penalty fees when you pay for a long time	Hard		<a href="#">Sorted Debt booklet</a>

<b>What does it mean to be ‘a smart borrower’</b> a) Being able to calculate interest rates on your loans b) Shopping around to find the best possible interest rates and fees on loans c) Finding the best interest rate and borrow as much as you can against this rate d) Paying back the loan over a longer period of time, so you can easily make the monthly payments	Hard		<a href="#">Debt infographic</a>
<b>If you have to borrow money, what is important to know?</b> a) When you borrow money, you agree to repay it by a certain date b) Most borrowed money is repaid with extra money that is an agreed percentage of the original amount borrowed c) There are often fees to set up the loan which also have to be paid d) All of the above	Hard		<a href="#">Debt infographic</a>
<b>What is a good way to deal with debt?</b> a) Get a loan as quickly as possible b) Pay off lower interest debts first c) Don't take on any debt that is not essential	Hard		<a href="#">Debt infographic</a>
<b>What is the range of most credit card interest rates?</b> a) 1-11% b) 12-20% c) 20-33% d) 15-25%	Hard		<a href="#">Exploring debt/ nama</a>
<b>What is a mobile truck shop?</b> a) A mobile truck that gives out loans in certain communities b) Mobile trucks that sell household products at extremely high prices to people c) A mobile truck selling high interest loans	Hard		<a href="#">Buying the big stuff</a>



## Taonga – Te bau (Headpiece)

Did you get 8 or more questions correct?

### Well done!

Te bau is made of palm leaf and part of the costumes we wear in various celebrations.

This te bau contains the financial knowledge of Debt.



## Bonus round

Do you want to try the bonus quiz to gain another gift?

This one is much shorter, only three questions. If you answer them all correctly, you will get a bonus gift that you can take back to Motu Ao Cloud Island. Ask your teacher to check the answer when you're done!

Questions	Your answer
<b>What country in the Pacific is "Lake Island" based on?</b> a) Tokelau b) Kiribati c) Niue d) Cook islands	
<b>What is the approximate population in Kiribati?</b> a) 50,000 b) 80,000 c) 120,000 d) 200,000	
<b>What is the currency used in Kiribati?</b> a) Pound b) Cook Islands Dollar c) Australian Dollar d) Euro	

