

Lesson 2

Card Sheet

1. Start by finding your given scenario card number.
2. Together, complete the type of fee and estimated costs for your scenario. Leave the card in the same spot you found it!
3. Check back with your teacher in order to get your next scenario.
4. The first team to complete all the given scenarios wins!

Scenario #	Type of fee (If there is no cost, write "Free")	Estimated cost (If there is no cost, explain why not)
1		
2		
3		
4		
5		
6		
7		
8		
9		

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Scenario #	Type of fee (If there is no cost, write "Free")	Estimated cost (If there is no cost, explain why not)
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

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Answer Key

Scenario #	Type of fee (If there is no cost, write "Free")	Estimated cost (If there is no cost, explain why not)
1	MER	$0.025 \times \$5,000 = \125
2	Commission fee	TFSA = tax-free $50 \times \$5 = \250
3	Trailer fee	$0.01 \times \$40,000 = \400
4	Income tax	$\$3,000 \times 0.2 = \600
5	Commission fee	$10 \times \$5 = \50
6	MER	$6,000 \times 0.0002 = \$1.20$
7	Inactivity fee	$4 \times 25 = \$100$
8	Front-end load	$0.03 \times \$7,500 = \225
9	Free	Switching to no-load fund
10	Free	TFSA = no withdrawal tax

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Scenario #	Type of fee (If there is no cost, write "Free")	Estimated cost (If there is no cost, explain why not)
11	Back-end load	$0.02 \text{ of } \$5,000 = \100
12	Level load + commission	$(6 \times \$6.95) + (\$800 \times 0.02) = \$57.70$
13	Capital gains tax	$0.5 \times \%5,000 = \$2500$
14	Free	Contributions are tax-deductible
15	Advisor flat fee	$\$100 \times 6 = \600
16	Free	Holding = no fee if no trades
17	Account maintenance	$\$50 \times 3 = \150
18	MER	$\$8,230 \times 0.02 = \164.60
19	Portfolio management fee	$\$5,600 \times 0.03 = \168
20	MER + trailer fee	$\$50,000 \times 0.015 \times 0.01 = \7.50