

National Unit Specification: general information

UNIT Financial Services: Personal Finance Awareness (Intermediate 2)

CODE DM7X 11

COURSE Financial Services (Intermediate 2)

SUMMARY

This Unit is a mandatory Unit of the Intermediate 2 Financial Services Course, but may also be taken as a free-standing Unit.

On completion of this Unit candidates will have enhanced their basic financial literacy. They should have a clear understanding of the factors which have to be taken into account when planning a personal budget, as well as the information available from personal account (bank) statements and pay slips. They should have gained an understanding of the sources of borrowing and related risks, together with an understanding of the value of saving and the variety of ways in which individuals can go about saving.

OUTCOMES

- 1 Prepare and maintain a personal budget.
- 2 Explain the sources and implications of borrowing.
- 3 Demonstrate understanding of the need to save and the variety of ways of saving.

RECOMMENDED ENTRY

While entry is at the discretion of the centre, candidates would normally be expected to have attained one of the following, or equivalent:

- ◆ Intermediate 1 English
- ◆ Standard Grade English at General level

Administrative Information

Superclass: HD

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National Unit Specification: general information (cont)

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CREDIT VALUE

1 credit at Intermediate 2 (6 SCQF credit points at SCQF level 5*).

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

CORE SKILLS

There is no automatic certification of Core Skills in this Unit.

Opportunities for developing aspects of Core Skills are highlighted in *Guidance on Learning and Teaching Approaches for this Unit*.

National Unit Specification: statement of standards

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Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit Specification. All sections of the statement of standards are mandatory and cannot be altered without reference to the Scottish Qualifications Authority.

OUTCOME 1

Prepare and maintain a personal budget.

Performance Criteria

- (a) Identify typical sources of personal income and expenditure related to age and stage.
- (b) Describe the difference between a need and a luxury.
- (c) Identify key technical terms used in payslips and bank statements.
- (d) Maintain a personal budget over a specified period of time.

OUTCOME 2

Explain the sources and implications of borrowing.

Performance Criteria

- (a) Identify a range of sources of borrowing.
- (b) Relate sources of borrowing to short, medium and long-term needs.
- (c) Describe circumstances which can lead to personal debt problems.
- (d) Give examples of the effects of personal debt problems.

OUTCOME 3

Demonstrate understanding of the need to save and the variety of ways of saving.

Performance Criteria

- (a) Identify reasons for saving.
- (b) Identify a range of products for short and long-term-savings.
- (c) Demonstrate how savings can grow.
- (d) Demonstrate knowledge and understanding of the basic features of a bank or building society account.

National Unit Specification: statement of standards (cont)

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EVIDENCE REQUIREMENTS FOR THIS UNIT

Written, oral and/or product evidence is required which demonstrates that the candidate has achieved all Outcomes and Performance Criteria. The mandatory content for this Unit is specified in the Appendix.

The evidence should take the form of a portfolio and an end of Unit test. The portfolio should contain the following:

- ◆ a list of typical sources of income and expenditure for three selected key life stages
- ◆ a short description of the difference between need and luxury, highlighting at least two examples of each
- ◆ a record of the candidate's personal budget, maintained over a period of time and updated at least three consecutive occasions
- ◆ information on a minimum of four sources of borrowing and the main purposes of different categories of borrowing
- ◆ a case study of how it is possible for personal debt problems to arise
- ◆ information on a variety of savings types including saving for a pension, together with illustrations of how these different types of savings can grow in value

An end of Unit test, which will address aspects of the underpinning knowledge and understanding, is required for this Unit, and should take no more than 45 minutes. This test should be carried out under closed-book supervised conditions. The mandatory content for this Unit can be found in the Appendix.

The National Assessment Bank pack provided for this Unit illustrates the standard that should be applied. It includes an assessor checklist which should be used to ensure that the candidate portfolio has all the items required and that these are at an acceptable standard. It also includes a test to cover the relevant knowledge as specified in the Appendix. This knowledge will be sampled in the Unit assessment and the extent of sampling is illustrated in the NAB. If a centre wishes to design its own assessments for this Unit, they should be of a comparable standard.

National Unit Specification: support notes

UNIT Financial Services: Personal Finance Awareness (Intermediate 2)

This part of the Unit Specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

GUIDANCE ON THE CONTENT AND CONTEXT FOR THIS UNIT

The mandatory content which has to be covered for this Unit is specified in the Appendix. Candidates should be made aware of the extent of this knowledge and that it will be assessed at the end of the Unit.

The Unit could be introduced by asking candidates to identify key stages and goals in their lives, eg entering FE/HE, entering employment, setting up home, starting a business, raising a family, retiring. Candidates could then be asked to think of the financial implications of each of these key stages, and so stress the importance of giving serious consideration to issues of personal finance and the planning this might involve.

The content/context of each of the three Outcomes could then be dealt with in sequence:

- ◆ personal finance and budgeting
- ◆ issues related to borrowing
- ◆ issues related to saving

The content and contexts experienced in this Unit will contribute to candidates' own personal development and their preparation for financial planning in life.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

This Unit provides opportunities for the use of a variety of styles of learning and teaching which will involve experiential and practical activities. There are opportunities for self-directed learning, involving investigation and research together with skills of selection and evaluation which are required when researching and gathering source materials. There are also opportunities for group work. If the Unit is being delivered as part of the Intermediate 2 Course, Financial Services, there are opportunities for developing and demonstrating many of the employability skills demanded elsewhere in the Course.

Visits, work experience and placements can all be opportunities to gather information for the Unit. Another possibility is for individuals or groups to make appointments to see financial advisers in banks, building societies and other financial institutions to discuss personal finance issues in relation to the focus of this Unit. It may also be helpful to introduce candidates to sources of advice for debt management, eg Citizens Advice Bureau or other debt advisory services. All of these practical activities can also be further opportunities to develop and demonstrate the employability skills addressed in the *Employability Skills* Unit.

In this Unit, candidates will prepare and maintain a personal budget. This provides opportunities to developing aspects of the Course Skill in Numeracy. There is also scope for applying critical thinking when developing a case study of how personal debt problems arise.

