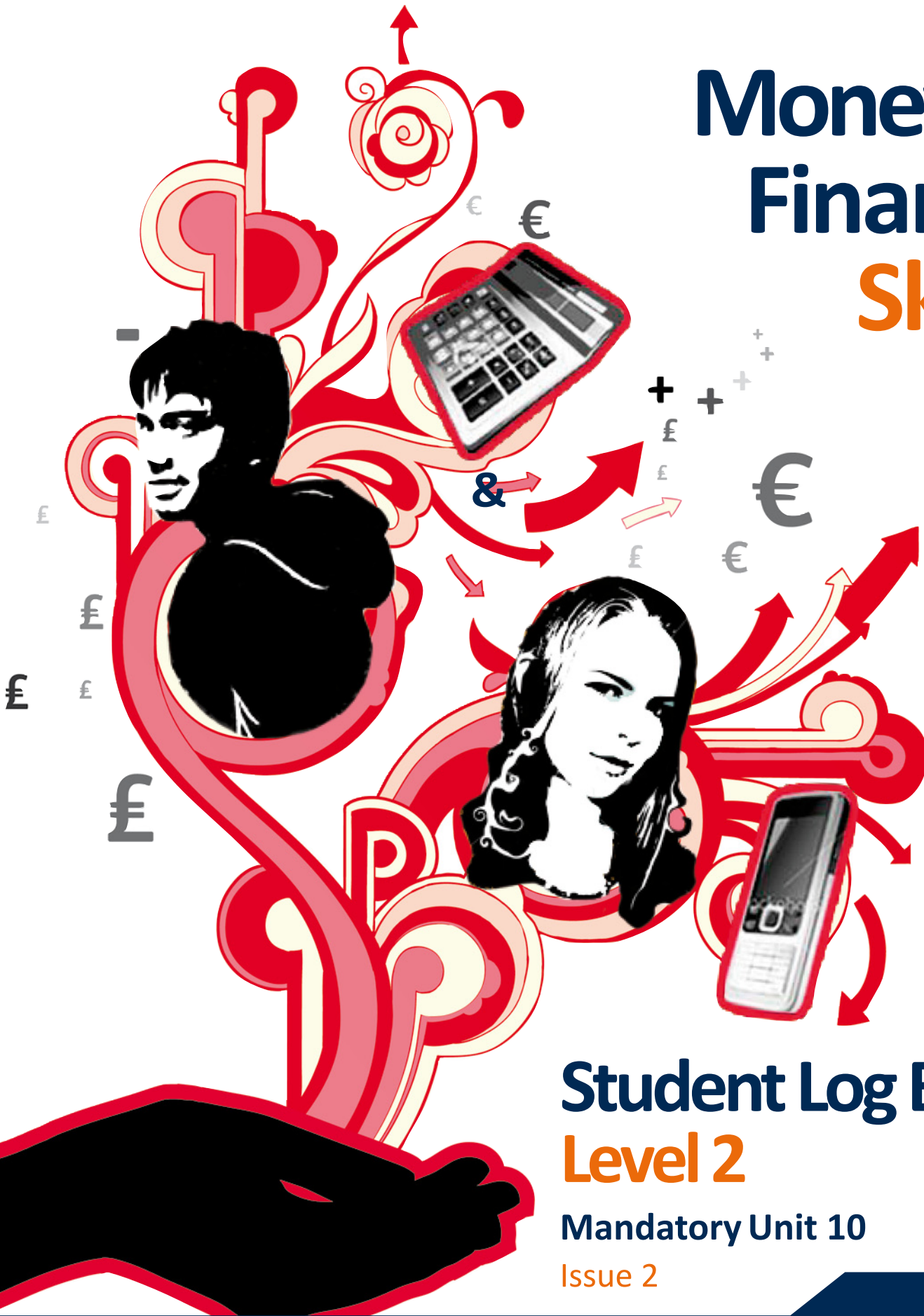


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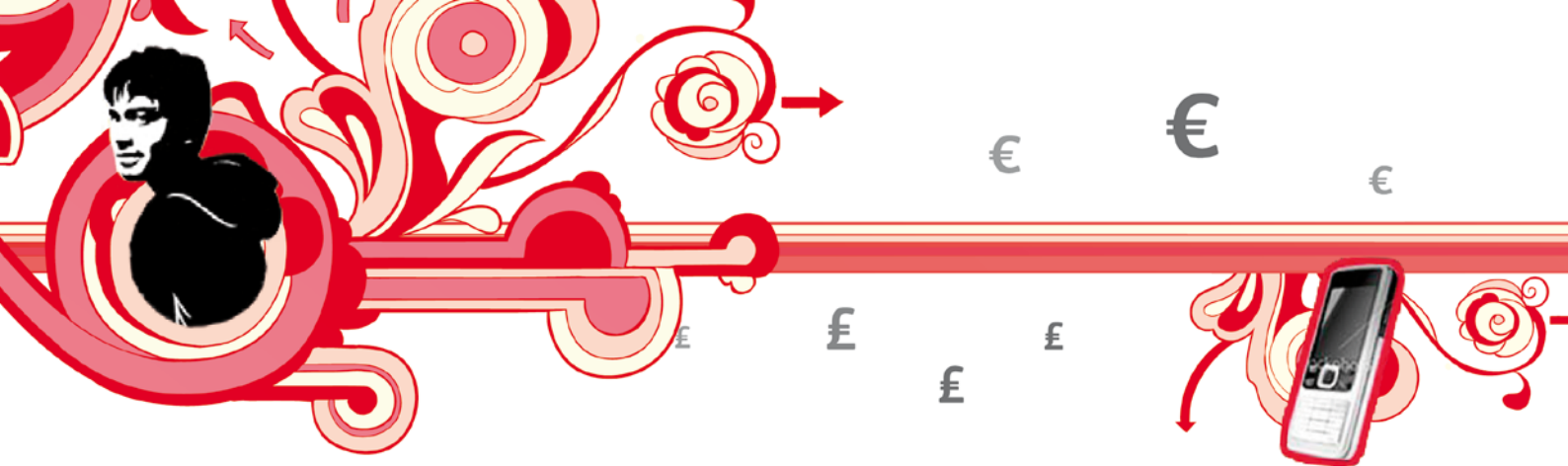
Money & Finance Skills



Student Log Book Level 2

Mandatory Unit 10

Issue 2



Unit 10 - Using Methods of Payment

10.1 Methods of payment

Read Nationwide Education Fact sheets - *Forms of Payment* (FB1-FB4) then answer the questions below.

Use the blank pages at the end of this unit if you run out of space.

10.1.1 Give one advantage and one disadvantage of paying by cash. (AC 1.1)

Advantage	
Disadvantage	

10.1.2 Explain what is meant by having a cheque 'cleared' and having a cheque 'bounce'.

'Cleared' means	
'Bounced' means	

10.1.3 Explain what PIN means and what could happen if you reveal your PIN to others.

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10.1.4 Which form of payment might be best to use on holiday abroad and why?

10.1.5 How old do you have to be to have a credit card and what is it used for?

10.1.6 Compare the similarities and differences between a debit card and a credit card.

Similarities

1.	
2.	

Differences

1.	
2.	

10.1.7 What is one disadvantage of using store cards?

10.1.8 What should you always aim to do when you get your monthly credit card and store card statement and why?

10.1.9 Compare the similarities and differences between a direct debit and a standing order.

Similarities

1.	
2.	

Differences

1.	
2.	

10.1.10 Explain what electronic transfer and internet banking is and how you do it.

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10.1.11 Compare the similarities and differences between a payment by cheque and an electronic transfer from your online bank account.

Similarities

1.	
2.	

Differences

1.	
2.	

10.1.12 Compare the similarities and differences between a debit card and cash card.

Similarities

1.	
2.	

Differences

1.	
2.	

10.2 Activity 1

Jenny makes the purchases listed below. Because she is 19 years old, she can choose from a wide range of ways to pay. Can you advise her on a sensible method of payment for each of her purchases? (AC 1.2, AC 1.3, AC 2.1)

Item	Suggest best payment method	One advantage of method	Potential disadvantage
Weekly supermarket shopping			
Cinema ticket from a website			
Flowers as a gift for her mum			

Item	Explain best payment method	One advantage of method	Potential disadvantage
A mobile phone bill (different amount each month)			
Bill from a plumber			
Coffee in a local café			
Necklace on a market stall			
CD player from electrical store			
A set amount of monthly rent			
Jacket in a high street fashion store			

Explain how you would make payments for the following goods and services:

Gas for your heating	
A monthly gift to a charity	
A subscription to an online magazine	
Daily milk delivery	

Suggest one other good or service which might be paid for regularly and explain the best method to pay for it.

10.3 Keeping track of payments

Read Nationwide Education Fact sheet - *Personal Finance Documents* (FB6) and refer to the financial documents listed below to help you answer the following questions. (AC 3.1)

- Bank statement
- Mobile phone bill
- Credit card statement
- Budget sheet

10.3.1 How will Greg be able to check that his mobile phone bill has been paid?

10.3.2 How much available credit does Greg have on his credit card?

10.3.3 Greg withdrew cash twice. How did he make these transactions?

a	
b	

10.3.4 How much is Greg charged for late payment on his credit card?

10.3.5 How much VAT was Greg charged for his mobile phone use?

10.3.6 What are Greg's monthly transport costs?

10.3.7 How did Greg increase his income this month?

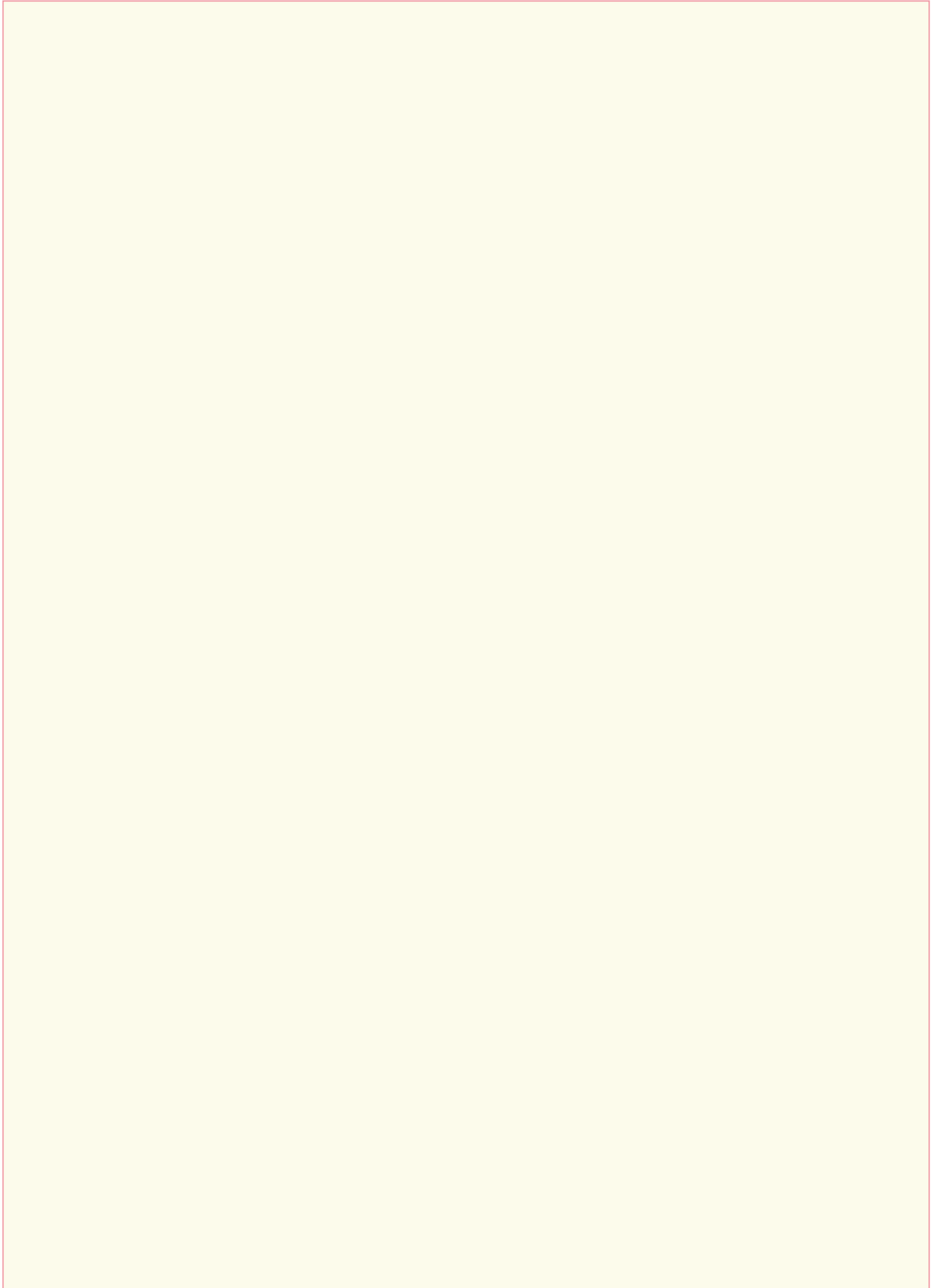
10.3.8 How much interest did Greg receive this month?

10.3.9 How does Greg receive his earnings?

10.3.10 How did Greg pay for his meal at the Rose Restaurant?

Now try the Nationwide Education Interactive Game 'Money Matrix' (Game Practice)
Finance Finder.

Use this page to continue your assignment. Please include the number of the question or activity you are answering.



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