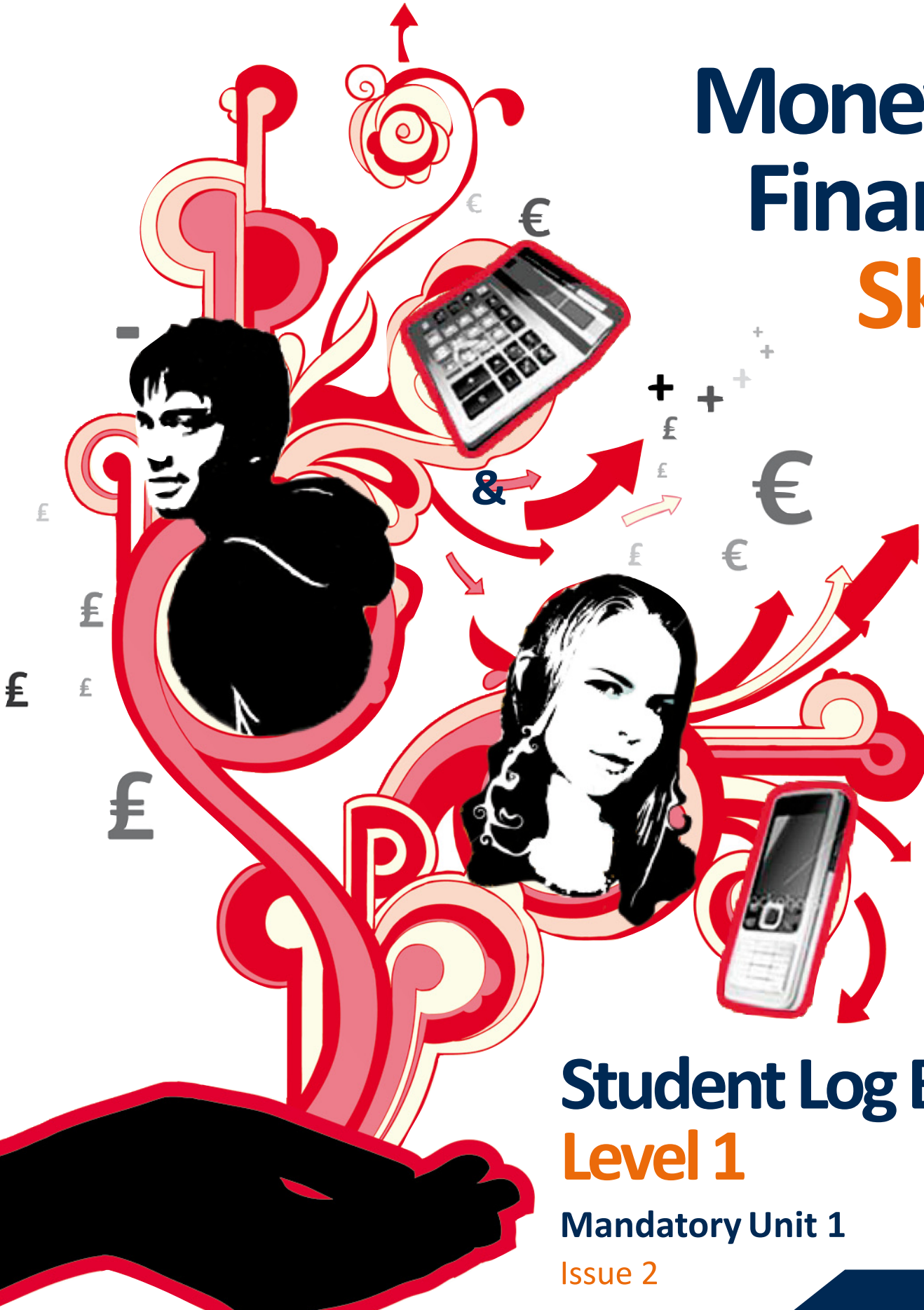


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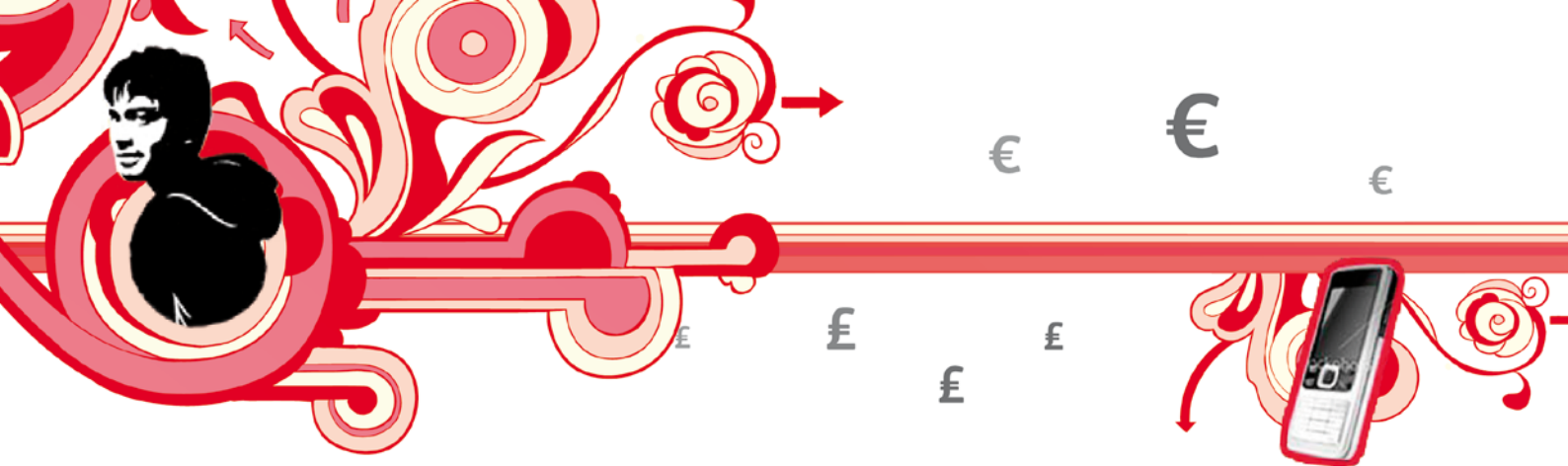


Student Log Book Level 1

Mandatory Unit 1

Issue 2

A PEARSON COMPANY



Unit 1 - Money Matters for Career Planning

1.1 Understanding your pay

Review Nationwide Education Fact sheet – *Earning Money* (FA1) then answer the questions below.

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

1.1.1 What four things make a difference to what you earn?

a	
b	
c	
d	

1.1.2 What is the difference between salary and wage? (AC 1.1)

1.1.3 What is the difference between gross and net pay?

1.1.4 What tax is taken from your salary or wage and what does it help to pay for? (AC 1.2)

1.1.5. What is National Insurance? (AC 1.2)

1.1.6. Describe three ways that a person paid a salary may differ from a wage-earner.

The first one has been completed: (AC 1.2)

	Salaried Employee	Waged Employee
Frequency of pay	<i>Paid monthly into bank account</i>	<i>Paid weekly, sometimes into bank but can be cash</i>
Sickness pay		
Overtime		
Bonus pay		

1.2 How to work out your pay

1.2.1 Activity 1 (AC 3.1)

Look online or in your local paper at job vacancies. Select up to four different jobs and investigate:

- the training, skills or experience required
- the number of hours to be worked (is the job full-time or part-time?)
- the wages or salary offered
- the benefits offered.

Then complete the grid below to detail your findings.

Job details	1. Job title	2. Job title
Skills		
Experience		
Training / qualifications		
Hours: full-time or part-time. Shift or weekend work required?		
Pay: wages or salary		
Benefits		

Job details	1. Job title	2. Job title
Skills		
Experience		
Training / qualifications		
Hours: full-time or part-time. Shift or weekend work required?		
Pay: wages or salary		
Benefits		

1.2.2 Activity 2 (AC 1.3)

Remember that the salaries or wages you see offered by employers are 'gross' amounts (ie before any deductions have been made), not what you actually get.

For the pay that you investigated in Activity 1, work out the net or take-home pay and complete the grid below. **To do this, deduct Income Tax and National Insurance.** Read Nationwide Education Fact sheet – *Earning Money* (FA1). We have included an example below.

Gross Pay **£20,000**

Tax Free Allowance (this can change each year) **£6,745**

Gross Pay – Tax Free Allowance is amount to be taxed (your 'taxable income')
 $£20,000 - £6,745 = \mathbf{£13,255}$

Gross pay is below £37,400 so all is taxed at 20%. Income tax to pay is
 $£13,255 \times 20\% = \mathbf{£2,651}$

National Insurance (NI) is taxed at 11% of Gross Pay. NI to pay is
 $£20,000 \times 11\% = \mathbf{£2,200}$

Net Pay is what is left after Income Tax & NI is deducted
 $£20,000 - £2,651 - £2,200 = \mathbf{£15,149}$

Job title	<i>Trainee Manager</i>	1.	2.	3.	4.
Gross pay	£20,000				
Taxable income	£13,255				
Income tax	£2,651				
National Insurance	£2,200				
Net pay	£15,149				

1.3 Why some jobs pay more than others

Review Nationwide Education Fact sheet – *Benefits* (FA2) and investigate careers and jobs on the Job Centre website jobseekers.direct.gov.uk. Then read the case studies below and answer the questions.

Case study 1

John is 17. He has started work with a building company as an unskilled labourer. He is earning a good wage.

1.3.1 Explain how John's career choice will affect his finances in the future (AC 2.1)

Case study 2

Jane is 18 and is hoping to become a teacher. She is studying A levels full-time at college and applying to university.

1.3.2 How will Jane's career choice affect her finances in the future? (AC 2.1)

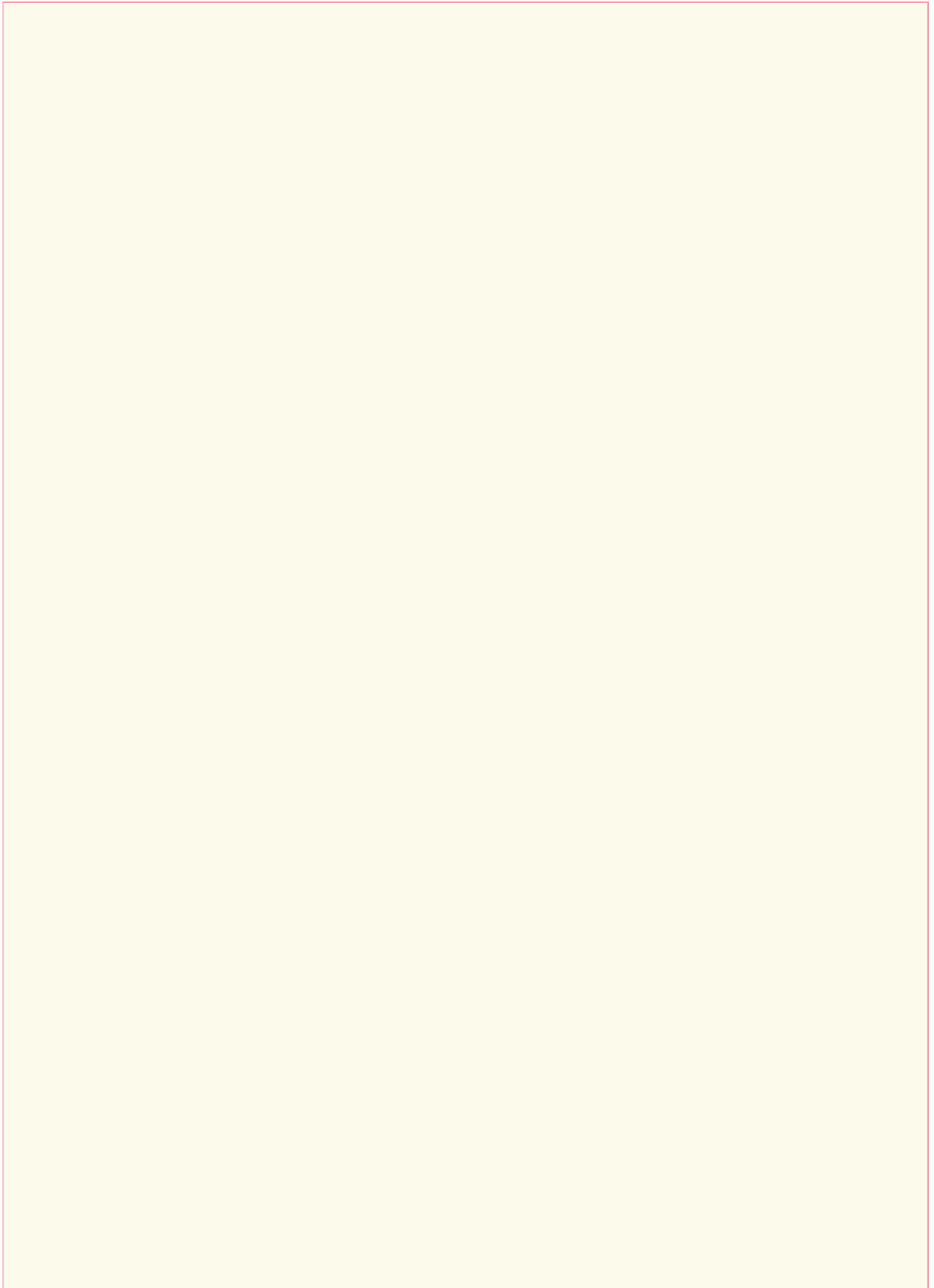
1.4 Career choices

Choose two careers that interest you. Complete the table below to include information about the qualifications needed and the salaries of your two career choices. (AC 3.1)

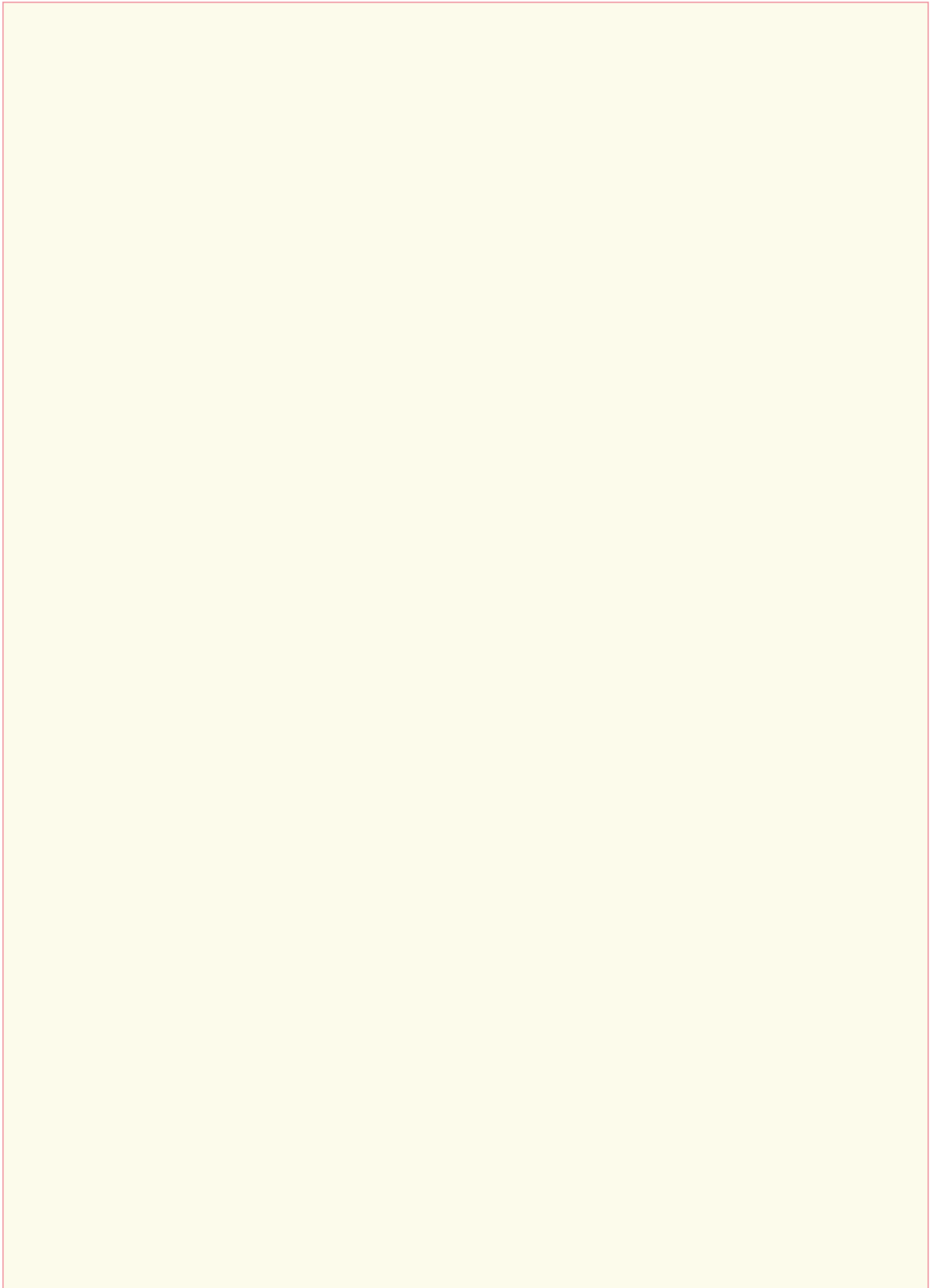
Career choice	1.	2.
Qualifications		
GCSEs	Number needed: Subjects:	Number needed: Subjects:
Further education (select if required)	A levels <input type="checkbox"/> BTEC National Diploma <input type="checkbox"/> apprenticeship <input type="checkbox"/> occupational training <input type="checkbox"/>	A levels <input type="checkbox"/> BTEC National Diploma <input type="checkbox"/> apprenticeship <input type="checkbox"/> occupational training <input type="checkbox"/>
Degree	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Further training		
Pay/ financial support		
Income during training		
Starting pay		
Pay when experienced		

Now play the Nationwide Education Interactive Game 'Money Matrix' (Game Practice) *Pay Packets*.

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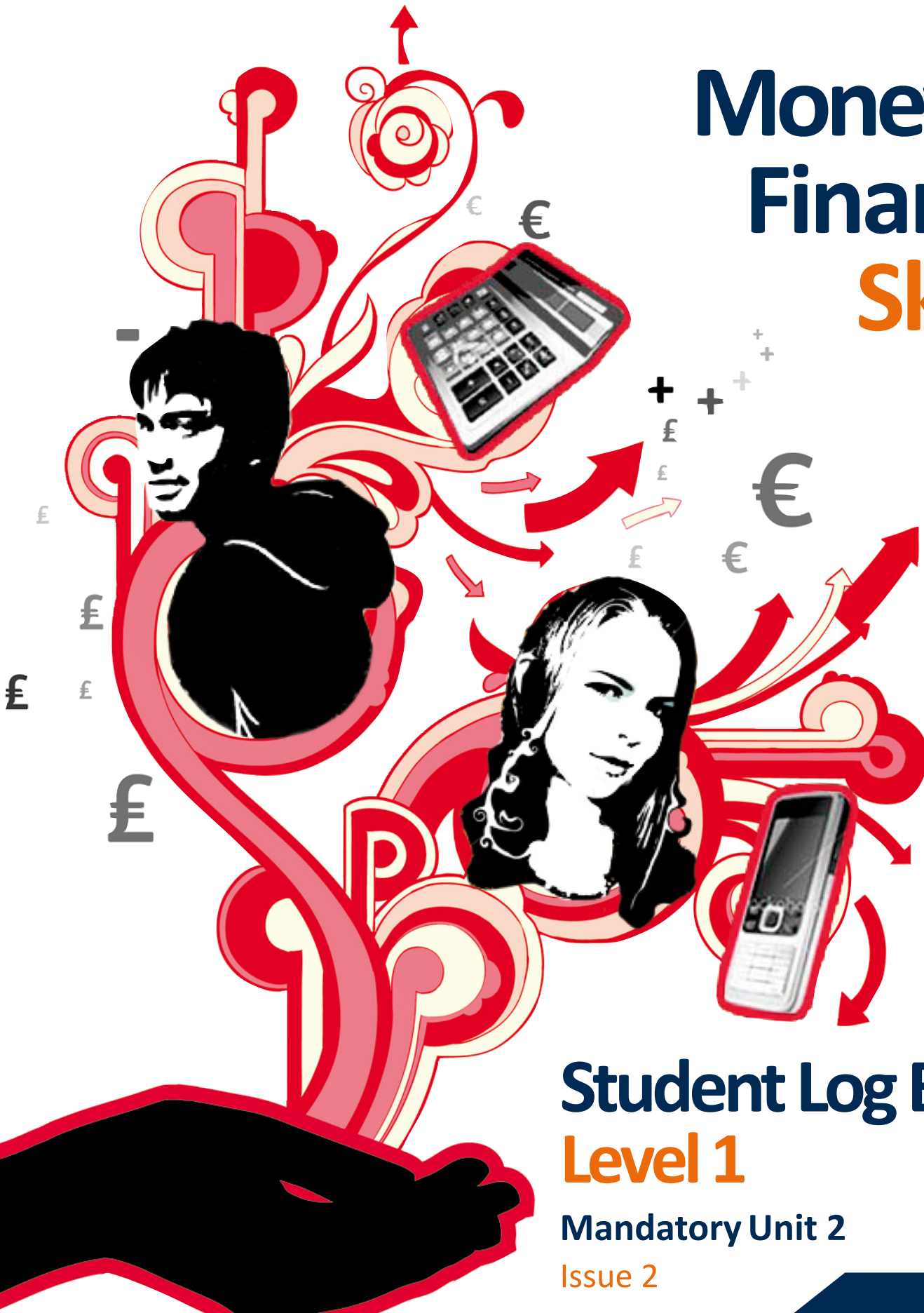


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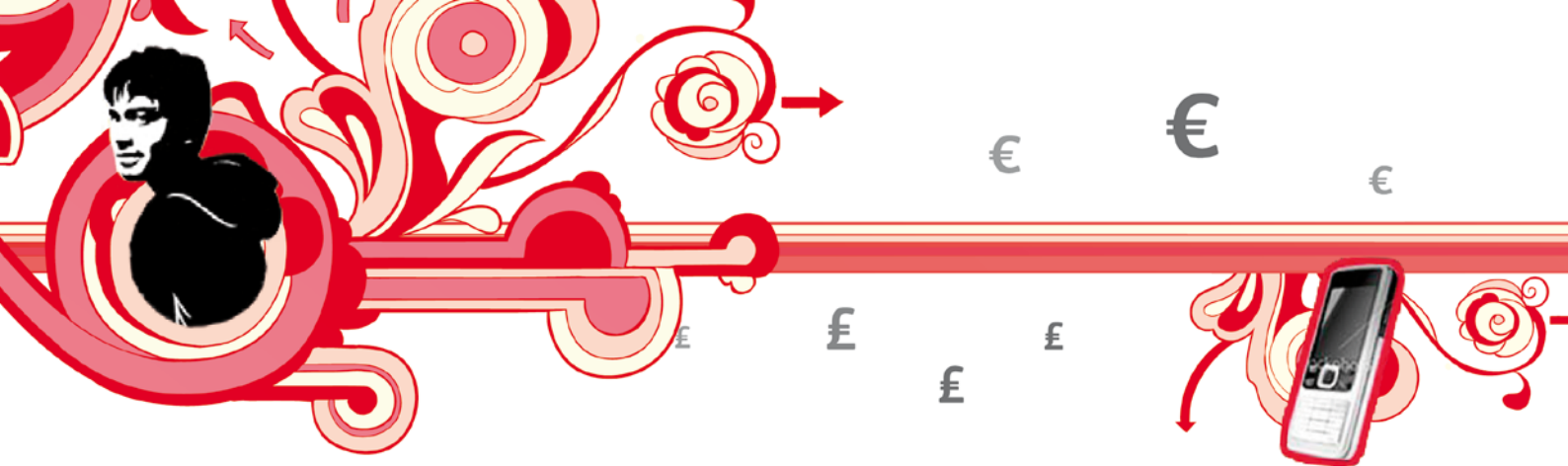


Student Log Book Level 1

Mandatory Unit 2

Issue 2

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Unit 2 - Managing Money Matters

2.1 Best way to pay for things

Read Nationwide Education Fact sheets – *Forms of Payment* (FB1 to FB4) and use the information to complete the case study questions below. (AC 1.1)

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

Case study 1

Gerry needs to pay his rent. He needs to make sure that the landlord receives the correct amount of money on time every month.

2.1.1 What is the best way for Gerry to pay his rent?

Case study 2

Cara is going on holiday to Spain. She is taking money to pay for food and entertainment and plans to buy presents for her boyfriend.

2.1.2 What is the best way for Cara to take money to pay for the items while she is away?

Case study 3

Jo travels on the bus to the market every week to buy fruit and vegetables.

2.1.3 What form of payment would be best for Jo to use?

Case study 4

Mina wants to buy some clothes in a sale but does not have enough money in her account.

2.1.4 What form of payment could Mina use?

2.1.5 Test yourself – try to answer the questions below, then check the answers in Nationwide Education Fact sheets – *Forms of Payment* (FB1 to FB4).

a) Give one advantage of being able to pay by cash.

b) Give a disadvantage of paying by cash.

c) What is a cheque?

d) Why are cheques a fairly safe method of payment?

e) What is a cash card?

f) What is a travellers' cheque?

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

h) What is a debit card?

i) What is one disadvantage of using store cards?

j) What is the difference between a direct debit and a standing order?

2.2 About savings

Think about the way you spend money. Do you spend it all as soon as you get it or do you save up for something you really want? Companies are always trying to get you to buy their goods and services. Billions of pounds are spent each year on advertising to try to get you to think you need a particular product. Smart shoppers learn to see through these 'advertising tricks' and look for value for money.

Read Nationwide Education Fact sheets - *Budgeting* (FB9) and *Money Saving Tips* (FB10) and complete the following activities:

2.2.1 Activity 1

Think about ten things you will need or would like to buy over the next few years. Try to include at least two:

- short-term purchases – inexpensive things that you could buy without saving up for
- medium-term purchases – things that you might need to save for
- long-term purchases – things that will take you a long time to save up for.

	Things to buy	Short-term	Medium-term	Long-term
1	eg MP3 player		X	
2				
3				
4				
5				
6				
7				

	Things to buy	Short-term	Medium-term	Long-term
8				
9				
10				

2.2.1 Activity 2 (AC 2.1)

Using your list from Activity 1, choose two or more purchases and investigate how much they cost. You could look on websites (eg Amazon) or in stores, or use catalogues. How could you save money to buy these things?

Item	Cost	How you could save money to buy

2.2.1 Activity 3 (AC 2.1)

Choose one of the items on your **medium-term** list from Activity 1. Create a plan to show how you will save up for the item.

Item		Cost	
------	--	------	--

Savings method	Amount	How long (days or weeks)	Total saved
<i>eg walk to school instead of using the bus</i>	£8 per week	5 weeks	£40

Re-read Nationwide Education Fact sheets - *Budgeting* (FB9) and *Money Saving Tips* (FB10) if necessary and complete the following activities:

2.2.2 Activity 1 (AC 2.2)

Saving money is all about prioritising – looking at what you need or feel is important, and what you can do without. Read the case study below and complete the activity.

Case study

Nilam, a student, has just moved away from home and is sharing a rented flat with a friend. Her family give her a small weekly allowance and she also has a part-time job, but she still doesn't earn enough money to cover all her expenses.

Rank her expenses in order of importance (ie which she should pay first) from 1 to 19, with one as the most important. If you wanted, you could compare your list with a partner and agree a ranking between you. If Nilam wants to save money, which things could she do without?

Item	Your rank (1 – 19)	Team rank (1 – 19)	Could do without?	
			Y	N
Food				
TV				
CD Player / MP3 player				
Holiday				
Cinema				
College fees				
Phone bill				
Rent				
Electricity bill				
Hairdressers				
Car maintenance and fuel				
Clothing				
Nail bar				
Home insurance				
Restaurant meal				
College books				
Night out at club				
Present for family				
Savings				

2.2.2 Activity 2 (AC 2.2)

Think back to what you or your family have done over the last few months. Complete the box below by describing what you did and what you spent. List things that could have been done differently in order to save money.

Description	What you did	What you spent	How you could have saved money
Transport			
Clothes			
Entertainment and leisure			
Food			

2.2.2 Activity 3 (AC 2.2)

A benefit of saving money – Interest

If you save money in a building society or bank, you are paid extra money called 'interest'. Interest rates are the percentages you earn on your money. The higher the interest rate and the more money you have in the account, the more interest you get.

For example:

If you put £100 into a savings account with interest of 5% per annum, at the end of the year you have the £100 and also an extra £5 in interest (5% of £100). Total £105.

Interest rates for borrowers

If you borrow money from a bank or building society you have to pay extra to the lender as interest on the borrowed money, so you need to look for high rates of interest when saving and low rates when borrowing.

Investigate the different accounts offered by financial organisations. You could go to your high street banks and building societies, or look online, and don't forget that some supermarkets and post offices offer financial products and services too. Choose one and state briefly:

a) i What you would need to do to open the account

--

a) ii Compare what you need to do to open a savings account with two different companies and say which you think is easier with one reason why

	Company 1	Company 2
Company name		
Which one is easier?		
Reason		

b) i The interest rate offered to savers

--

b) ii Compare the interest rates from savings account with two different companies and give one reason why they might be different

Company name		Interest rate	
Company name		Interest rate	
Reason for difference			

c) any special terms and conditions

--

d) which services the account provides

--

e) Using an example for each, explain four reasons why you might save money in a savings account (AC 2.1)

1	
2	
3	
4	

2.3 How you can plan your spending

2.3.1 Activity 1 (AC 3.1, AC 3.2)

Create a personal savings plan for the next month.

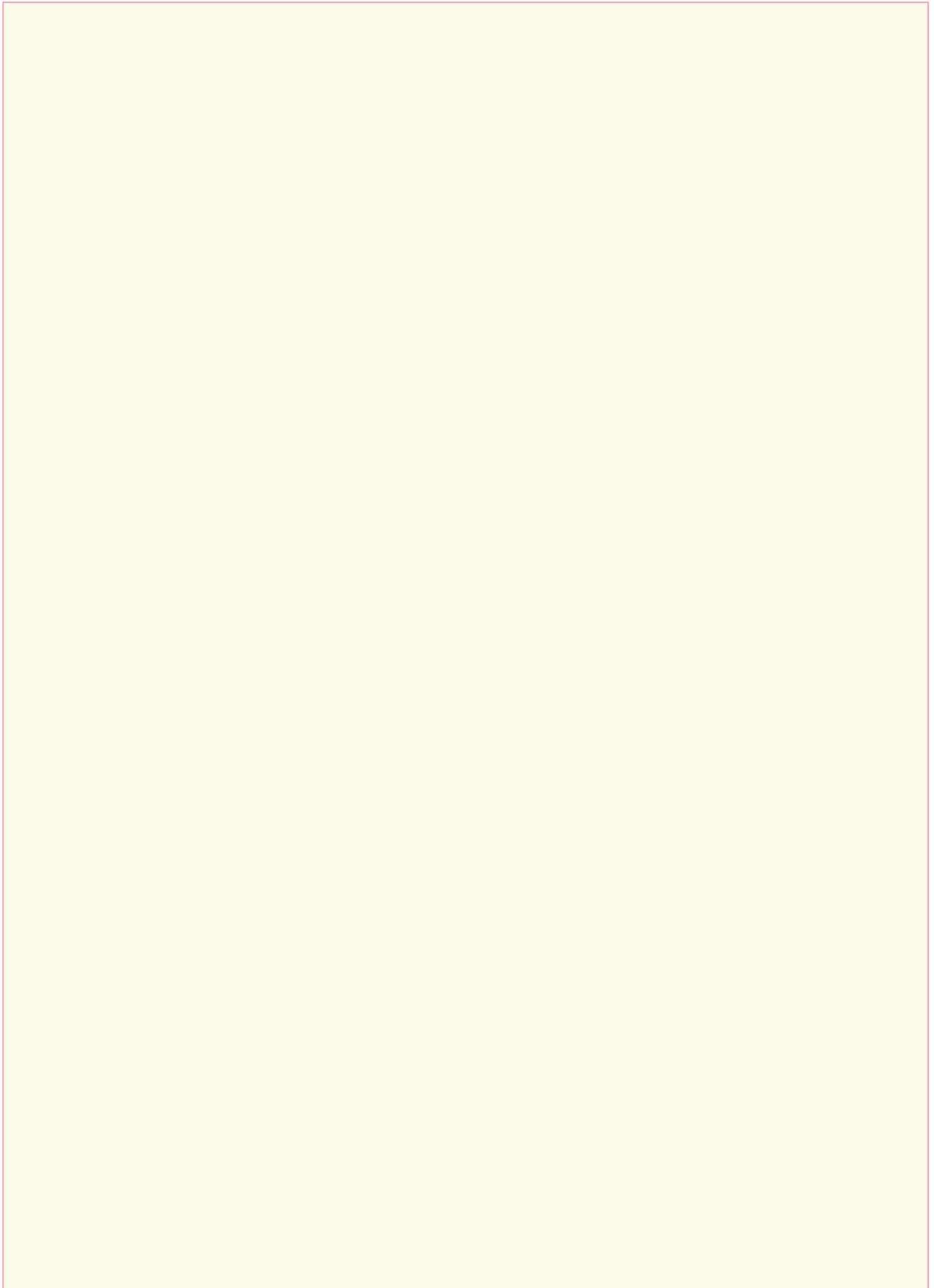
Note down all the things you are going to try to do to earn and save money or cut down your spending, using the income and expenditure chart on the next page. Then create a budget showing what you plan to earn or spend during the time period. Throughout the month, keep careful records of what you've spent and earned. Save shopping receipts and other financial documents so you remember how much you spent.

At the end, compare what you budgeted and what you actually earned and spent. (AC 3.1)
How could you adjust your budget if you needed to save more money? (AC 3.2)

Income – description	Expected	Actual	Ways to increase income
<i>eg pocket money</i>	£10.00	£8.00	<i>Complete chores on time</i>
Total income			

Expenditure – description	Expected	Actual	Ways to save money
eg bus fare	£3.50	£4.00	Walk to school on Wednesdays (no sports bag)
Total expenditure			

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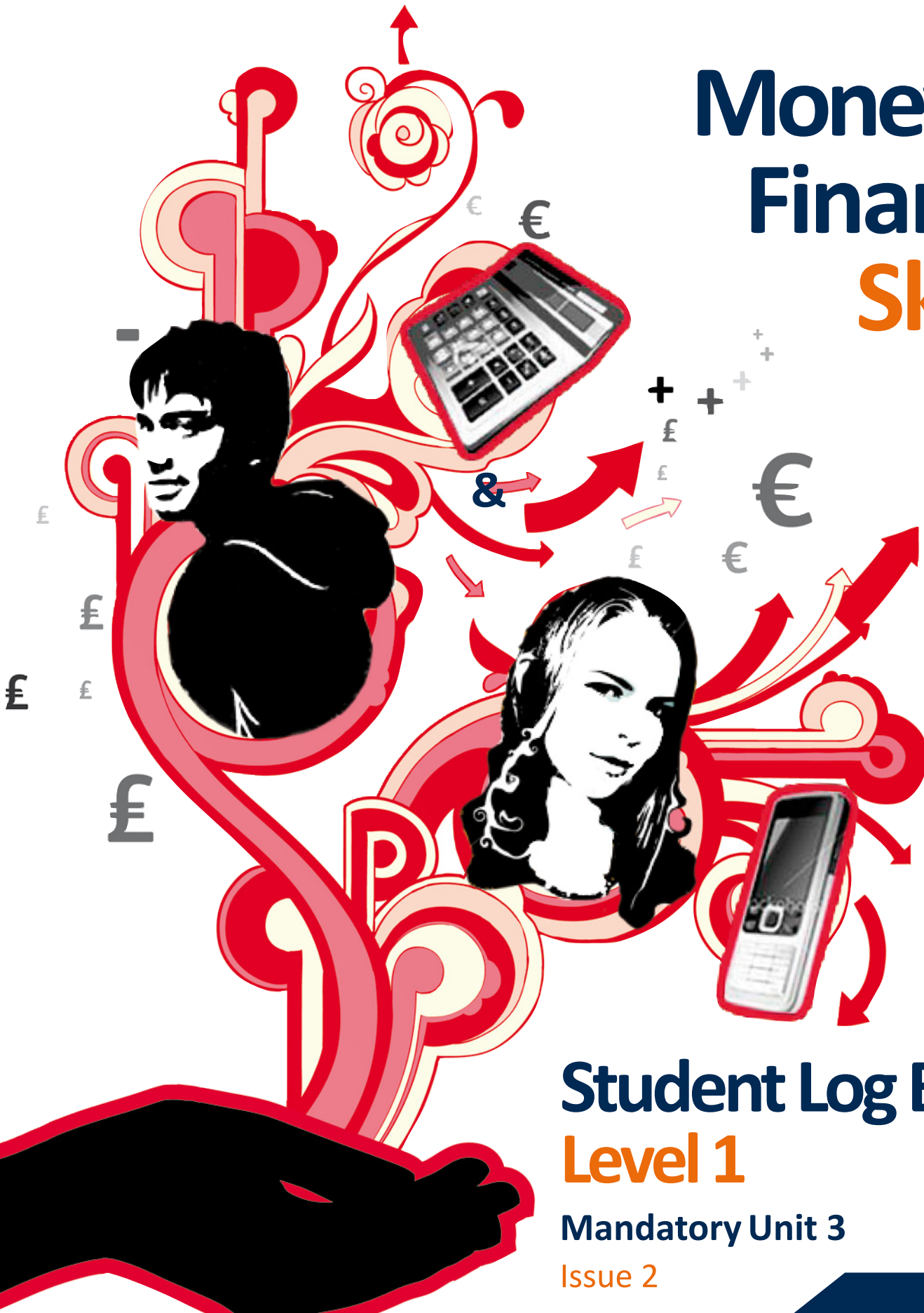
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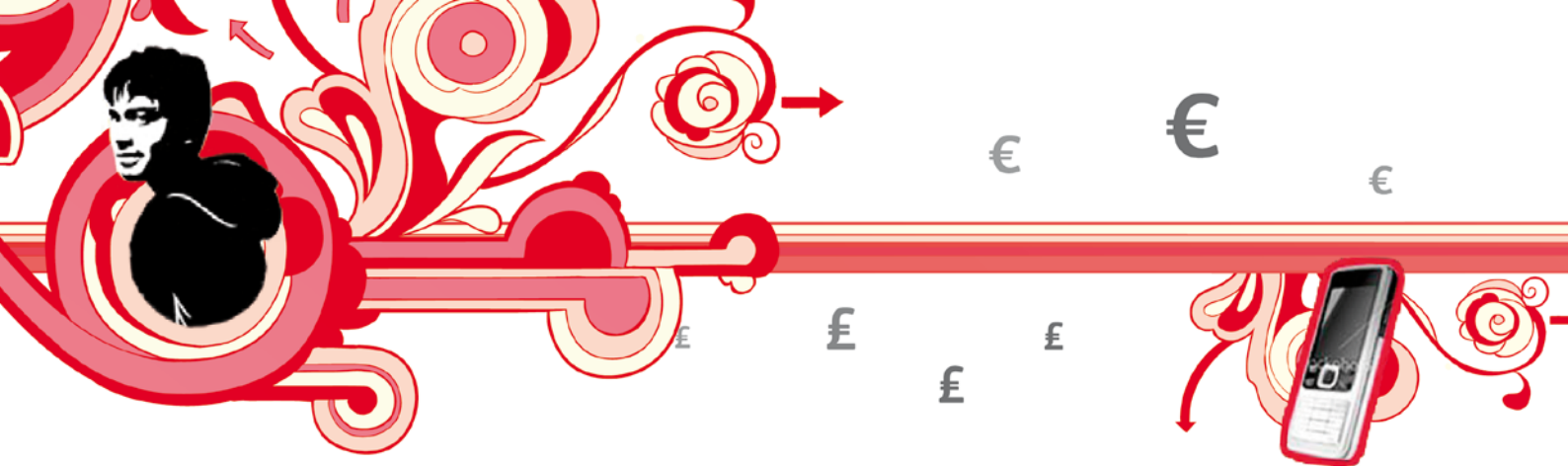
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Student Log Book Level 1

Mandatory Unit 3

Issue 2



Unit 3 - Support with Money Matters

3.1 State benefits

Read Nationwide Education Fact sheets - *Benefits* (FA2) and *Financial Support* (FA4)* and answer the questions below. More details on financial support at college/post 16 can be found at <http://www.direct.gov.uk/en/EducationAndLearning/14To19/MoneyToLearn>

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

3.1.1 Financial support for students (AC 1.1)

There are different ways students can receive financial support to help them continue with their studies. These include:

- Education Maintenance Allowance (EMA)
- Maintenance Grant
- Tuition Fee Loan
- Maintenance Loan
- Scholarships
- Bursaries
- Student Discount Card.

Case study 1

Jason is 16 and plans to start at college to study a BTEC National Award in Travel and Tourism. He has two younger sisters. His father works as a gardener and earns a low wage.

a) What financial support will Jason be able to receive?

* For Fact Sheet Financial Support (FA4) go to www.nationwideeducation.co.uk/linkto/personal-finance2

Case study 2

Rita, aged 18, is applying to university to study for a full-time degree. She will need to pay tuition fees of £3,000 every year for three years. She has decided to live at home during her course. Rita is an only child and her parents work in well paid jobs.

b) What is available for Rita to help with paying for her fees?

c) When will Rita need to repay the money she receives?

Case study 3

Ali, aged 18, will be studying for a full-time degree at a university and will be living 150 miles away from his home. He has arranged to pay his tuition fees. He will need to pay for his accommodation and food. Ali's mother works and earns £22,000 a year.

d) What help will Ali get to pay for his accommodation and living costs?

e) Will Ali need to repay the money he receives?

Case study 4

Jess is studying for a full-time degree and has claimed all the money she is able to receive to help her with her tuition fees and living costs. Her parents are disabled and unable to give her any financial help. Jess needs to buy essential books and materials for her course.

f) What may Jess be able to receive from her university to help her?

3.1.2 Benefits for people unable to work (AC 1.2)

Study the information below and link the correct benefit to the person by entering the number of the benefit in the box.

1 Disability Living Allowance



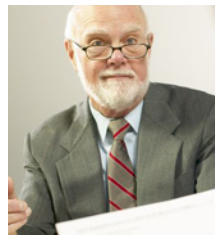
Mary is 55 and is unable to work as she needs to look after her husband who has a disability.

2 Carer's Allowance



Tom is 40 and lost his job when the garage where he was working closed.

3 Jobseeker's Allowance



Don is 60 and has had a stroke. He needs help with personal care.

4 State Pension

3.2 Planned borrowing

3.2.1 Read Nationwide Education Fact sheets – *Risk and Return* (FC3) and *Financial Services* (FB6) and answer the questions below. Additional information may be found at <http://www.mymoneyonline.org>

a) Explain two reasons why it is important to plan when borrowing money. (AC 2.1)

i	
ii	

b) Sarah wants to buy a car costing £3,500. (AC 2.2)

i) Which would be the best way for her to borrow the money to pay for it?

ii) Why is this a good way to borrow money for a car?

c) Jo's washing machine needs to be replaced. Jo needs to borrow the money to pay for a new machine. (AC 2.2)

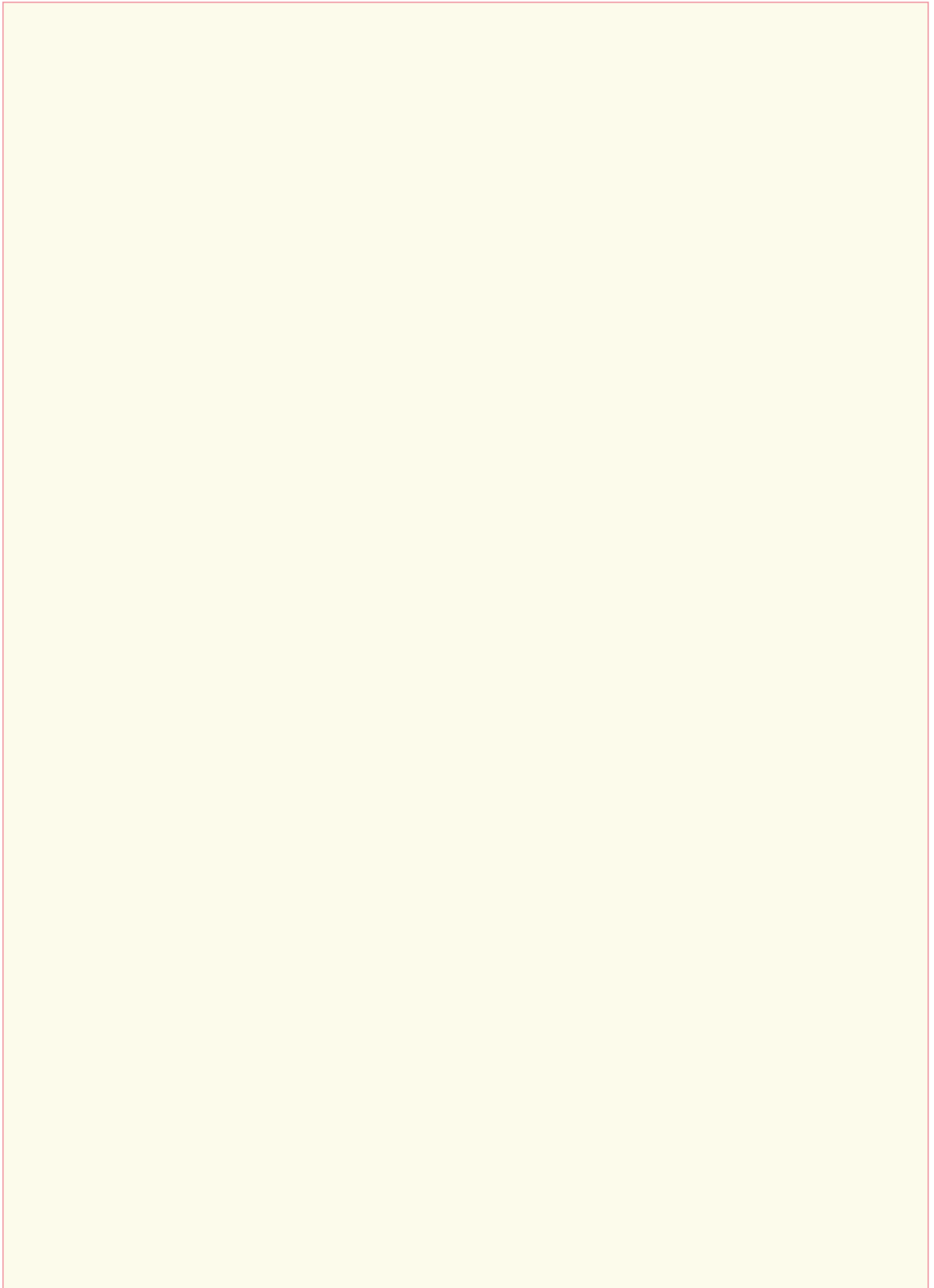
i) Which would be the best way for Jo to borrow the money to pay for it?

ii) Why is this a good way to borrow money for large electrical goods?

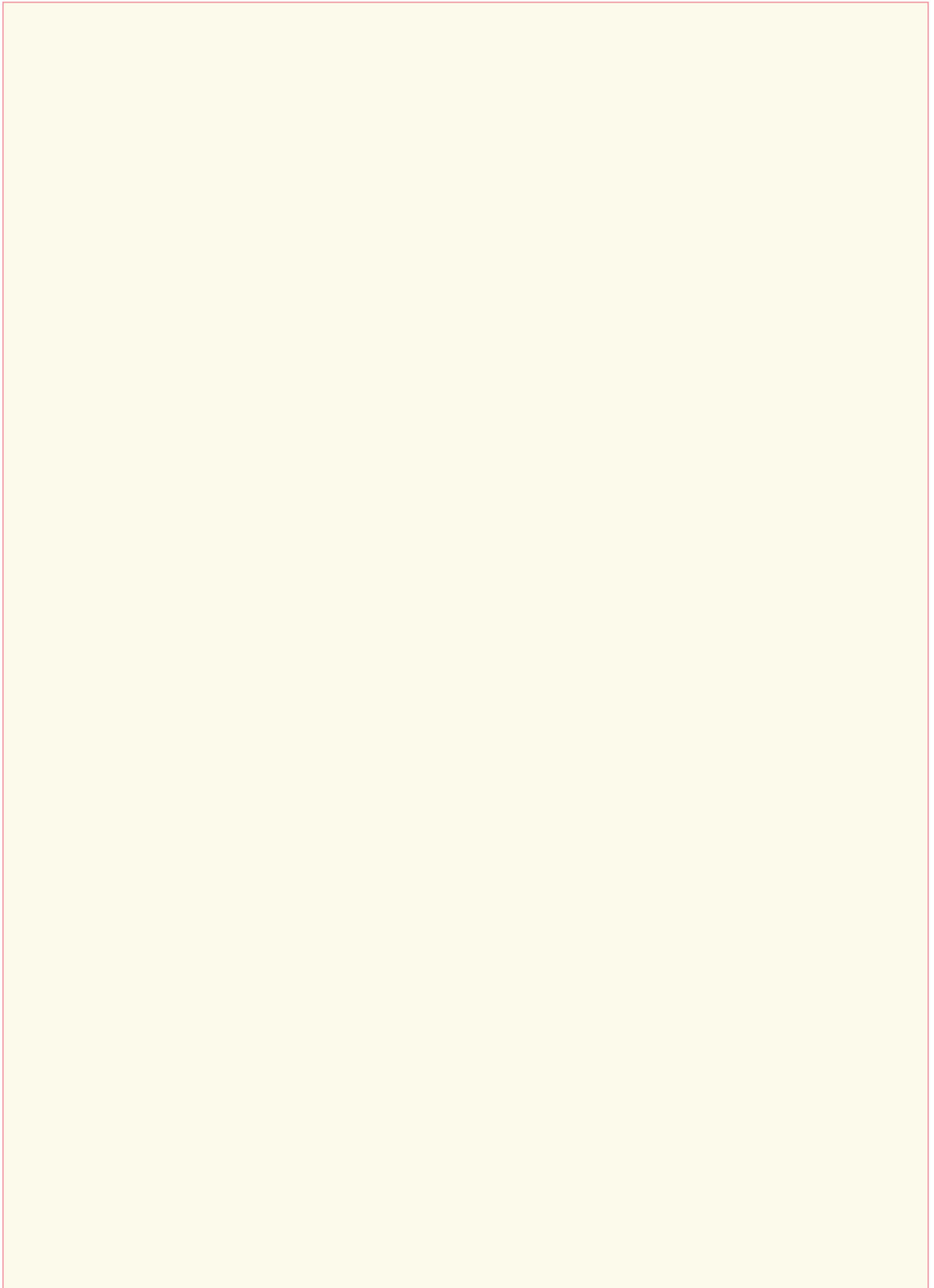
d) Your friend has asked you for help as she is having difficulty in repaying money she has borrowed. She would like to know where she could get help with the problem. Suggest two different sources of help for her. (AC 2.3)

i	
ii	

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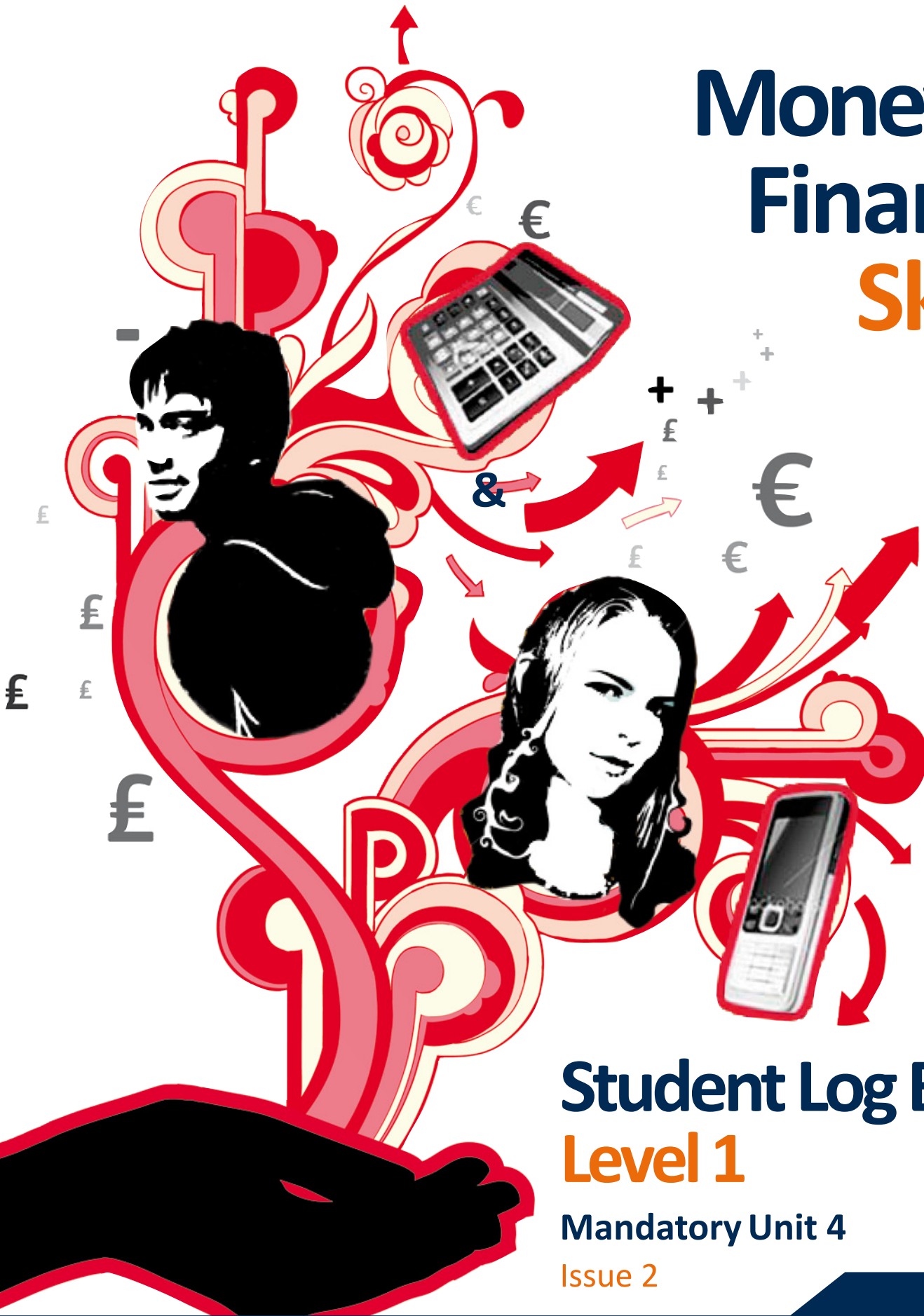


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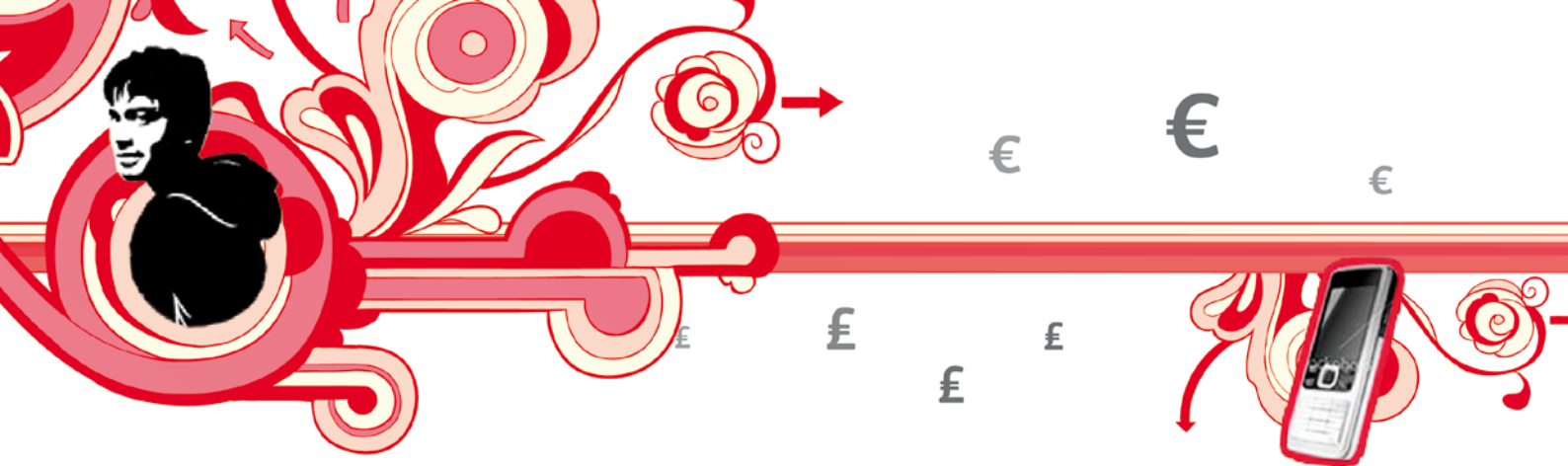


Student Log Book Level 1

Mandatory Unit 4

Issue 2

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Unit 4 - National and Global Money Matters

4.1 Taxes

Read Nationwide Education Fact sheet – *Local and National Taxation (FD2)** and complete the table below to include information about four different taxes and the services provided by them. **Use the blank pages at the end of this unit if you run out of space.**

Name of tax paid by individuals or businesses (AC 1.1)	Services provided by tax (AC 1.2)
a	
b	
c	
d	

* For Fact Sheet Local and National Taxation (FD2) go to www.nationwideeducation.co.uk/linkto/personal-finance2

4.2 Ethics and fairness

Read Nationwide Education Fact sheet – *Charities and Ethical Shopping* (FD1) and answer the questions below:

a) Explain two reasons to choose to shop ethically. (AC 2.1)

i	
ii	

b) Describe three different ways you can shop ethically. (AC 2.2)

i	
ii	
iii	

4.3 Currencies and exchange rates

Read Nationwide Education Fact sheet – *Currencies and Exchange Rates* (FB5) and answer the currency question below.

4.3.1 Check how many units of another currency you would get if you exchanged £100 today and how much if you had exchanged the same amount yesterday. Look at a website or newspaper to find yesterday's rates. Describe what has happened to the exchange rate and how it affects you. (AC 3.1)

Currency:		
	Today's Exchange rate	Yesterday's Exchange rate
£1 will give me		
£100 buys		
Difference		

How it affects you

4.3.2 Match the currency to the symbol and the country. (AC 3.2)

An example is shown below in red.

Currency	Country	Symbol
1. Baht	<input type="text"/> Croatia	<input type="text"/> CHF
2. Franc	<input type="text"/> Japan	<input type="text"/> kn
3. Kronor	<input type="text"/> Thailand	<input type="text"/> R\$
4. Peso	<input type="text"/> Sweden	<input type="text"/> \$
5. Yen	<input type="text"/> Switzerland	<input type="text"/> ₪
6. Rupee	<input type="text"/> Mexico	<input type="text"/> ₤
7. Yuan Renminbi	<input type="text"/> Israel	<input type="text"/> ₪
8. New Shekel	<input type="text" value="6"/> India	<input type="text"/> kr
9. Kuna	<input type="text"/> Brazil	<input type="text"/> ¥
10. Real	<input type="text"/> China	<input type="text" value="6"/> Rp

4.3.3 Name five countries that use the Euro. (AC 3.2)

a	
b	
c	
d	
e	

4.3.4 Name the currency used in the countries listed below. (AC 3.2)

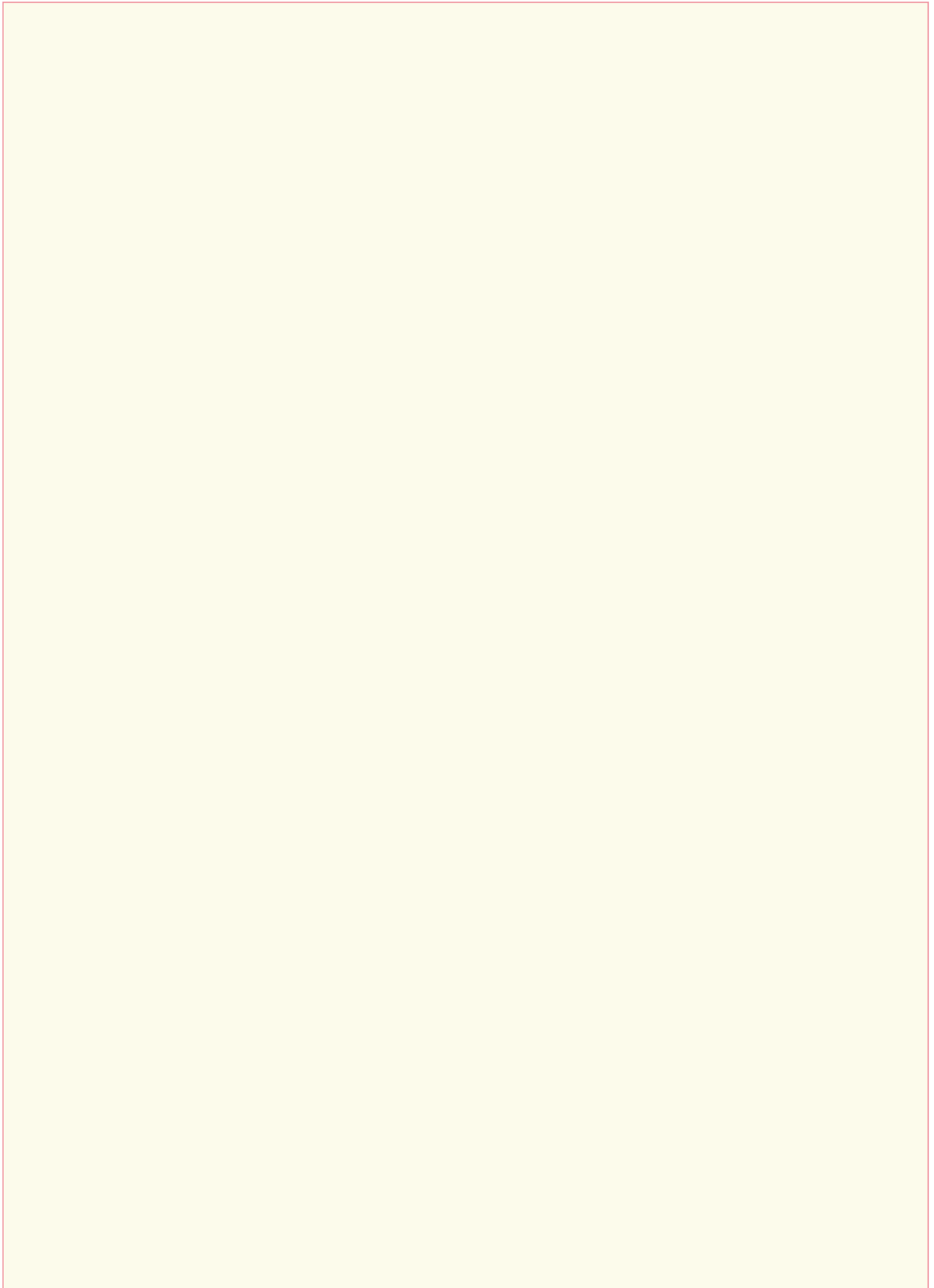
Saudi Arabia	
Cambodia	
South Korea	
Morocco	
Kenya	

4.3.5 Work out how much of the following foreign currencies you would get for £20. (AC 3.2)

Hint: You can use a calculator if you need to!

Currency	Exchange rate to £1	Amount if £20 is exchanged
United States Dollar	1.5	
Japanese Yen	135.0	
Euro	1.1	
Australian Dollar	2.0	
Rand	13.6	
Rupee	70.9	
Baht	50.5	

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