

<b>Unit Title:</b>	<b>Learning to manage finance</b>
OCR unit number:	Unit 15
Level:	Level 2
Credit value:	3
Guided learning hours:	28
Unit reference number:	A/505/3847

## Unit aim and purpose

This unit will provide learners with an understanding of factors that have an impact on personal finance, what to consider when using financial services, payments methods, how to assess financial support, how groups of people gain from United Kingdom (UK) state benefits, the use of routine financial documents the causes and effects of debt including how to access advice on debt. Learners will be able to budget for non-routine events including how to adjustment when circumstances change, make payments for multiple items and compare financial accounts in order to open one appropriate to their needs.

Learning Outcomes	Assessment Criteria	Teaching Content i.e. – must be covered e.g. – suggestions for coverage
<p><b>The Learner will:</b></p> <p>1 Understand how to manage own finances</p>	<p><b>The Learner can:</b></p> <p>1.1 Describe factors that have positive and negative impacts on personal finances, to include:</p> <ul style="list-style-type: none"> <li>• regular income</li> <li>• short and long term saving</li> <li>• buying on credit</li> <li>• borrowing</li> <li>• staying informed on money matters</li> </ul> <p>1.2 Describe features of financial services used by individuals</p> <p>1.3 Describe risks and rewards for an individual using financial services</p>	<p>Financial services, e.g.:</p> <ul style="list-style-type: none"> <li>• credit and debit cards</li> <li>• loans</li> <li>• insurance</li> <li>• pensions</li> </ul> <p>Features of financial services, e.g.:</p> <ul style="list-style-type: none"> <li>• timescale</li> <li>• secured/unsecured</li> <li>• additional benefits</li> <li>• accessibility (online, telephone)</li> </ul> <p>Risks, e.g.:</p> <ul style="list-style-type: none"> <li>• money tied up</li> <li>• bank/building society failure</li> </ul> <p>Rewards, e.g.:</p> <ul style="list-style-type: none"> <li>• good rates of interest</li> <li>• additional benefits</li> </ul>

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	<p>1.4 Describe advantages and disadvantages of different payment methods</p> <p>1.5 Assess how financial support helps to achieve personal aspirations</p>	<p>Different payment methods, e.g.:</p> <ul style="list-style-type: none"> <li>• credit, debit or store cards</li> <li>• vouchers</li> <li>• standing orders or direct debits</li> <li>• online payments</li> </ul> <p>Advantages/disadvantages , e.g.:</p> <ul style="list-style-type: none"> <li>• limitations on use</li> <li>• speed</li> <li>• security</li> <li>• cost of use</li> </ul> <p>Personal aspirations, e.g.:</p> <ul style="list-style-type: none"> <li>• running a car</li> <li>• undertaking further study</li> <li>• starting own business</li> </ul> <p>Types of financial support, e.g.:</p> <ul style="list-style-type: none"> <li>• bank loan</li> <li>• grant</li> <li>• cash loan from family</li> </ul>
<p>2 Understand United Kingdom (UK) state financial benefits</p>	<p>2.1 Describe features of different United Kingdom (UK) state financial benefits</p> <p>2.2 Explain how different groups of people might gain from United Kingdom (UK) state financial benefits</p>	<p>UK state financial benefits as listed on government websites</p> <p>Features of UK state financial benefits, e.g.:</p> <ul style="list-style-type: none"> <li>• eligibility</li> <li>• amount paid</li> <li>• personal savings</li> <li>•</li> </ul> <p>Groups of people, e.g.:</p> <ul style="list-style-type: none"> <li>• parents</li> <li>• unemployed people</li> <li>• carers</li> </ul> <p>Ways in which people might gain from state financial benefits, e.g.:</p> <ul style="list-style-type: none"> <li>• enables parents with young children to return to work</li> <li>• offers financial support for those who provide care for someone</li> </ul>

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3 Be able to propose a budget	<p>3.1 Calculate the total expenditure for a non-routine event</p> <p>3.2 Review event expenditure to reflect changes in circumstances</p> <p>3.3 Describe how to reduce event expenditure</p>	<p>This could be a real or a simulated non-routine event.</p> <p>Non-routine events, e.g.:</p> <ul style="list-style-type: none"> <li>• Awards ceremony</li> <li>• Team away day</li> <li>• Wedding/civil partnership celebration</li> </ul> <p>Examples of expenditure, e.g.:</p> <ul style="list-style-type: none"> <li>• resources</li> <li>• services</li> <li>• refreshments</li> <li>• travel</li> <li>• contingencies</li> </ul> <p>Changes in circumstances, e.g.:</p> <ul style="list-style-type: none"> <li>• increased/reduced numbers</li> <li>• change of venue</li> <li>• equipment needs</li> </ul> <p>Ways of reducing event expenditure, e.g.:</p> <ul style="list-style-type: none"> <li>• change external venue to in-house</li> <li>• reduce frequency/quality of service</li> <li>• reduce other overheads</li> </ul>
4 Understand financial documents	<p>4.1 Describe the purpose of routine financial documents</p> <p>4.2 Explain the importance of information found on routine financial documents</p> <p>4.3 Define specialist terms found on financial documents</p>	<p>Routine financial documents and their purpose, e.g.:</p> <ul style="list-style-type: none"> <li>• receipt – evidence of purchase</li> <li>• wage/payslip – evidence of income and deductions</li> </ul> <p>Information and its importance, e.g.:</p> <ul style="list-style-type: none"> <li>• date – when purchase was made – returns and guarantee may be affected</li> <li>• gross pay – accuracy of amount paid can be checked</li> </ul> <p>Specialist terms, e.g.:</p> <ul style="list-style-type: none"> <li>• National Insurance (NI) number</li> <li>• Value Added Tax (VAT)</li> <li>• Annual Percentage Rate (APR)</li> </ul>

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		<ul style="list-style-type: none"> <li>• Pay As You Earn (PAYE)</li> <li>• Minimum payment</li> <li>• Credit/Debit</li> <li>• Balance</li> <li>• Gross/Net</li> </ul>
5 Be able to carry out financial transactions	<p>5.1 Demonstrate making and checking payments for multiple items using:</p> <ul style="list-style-type: none"> <li>• cash</li> <li>• electronic payment method</li> </ul> <p>5.2 Compare savings accounts for an investment opportunity</p> <p>5.3 Describe the main steps in opening a savings account</p>	<p>Payments may be real or simulated</p> <p>Electronic payments, e.g.:</p> <ul style="list-style-type: none"> <li>• internet/online</li> <li>• contactless card payments</li> <li>• biometric payments</li> <li>• M-payments</li> </ul> <p>Checking, e.g.:</p> <ul style="list-style-type: none"> <li>• reviewing amount on screen before entering PIN</li> <li>• reviewing details on screen before completing transaction</li> <li>• completed accurately</li> <li>• counting change</li> <li>• reading through a receipt</li> </ul> <p>Compare savings accounts to identify the most suitable for a given situation, e.g.:</p> <ul style="list-style-type: none"> <li>• choose suitable bank or building society</li> <li>• select type of account.</li> </ul> <p>Savings accounts, e.g.:</p> <ul style="list-style-type: none"> <li>• instant access</li> <li>• fixed term bonds</li> <li>• regular savings</li> <li>• ISAs (Individual Savings Accounts)</li> </ul> <p>Comparisons, e.g.:</p> <ul style="list-style-type: none"> <li>• interest rate/frequency</li> <li>• risk/security</li> <li>• term</li> <li>• access</li> </ul> <p>Main steps, e.g.:</p> <ul style="list-style-type: none"> <li>• visit bank with ID/send by post if applying online</li> <li>• open the account</li> <li>• receive relevant paperwork</li> </ul>

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6 Understand the consequences of getting into debt	<p>6.1 Describe different ways of getting into debt</p> <p>6.2 Describe problems that getting into debt may cause for an individual and family</p> <p>6.3 Describe how people or organisations could help individuals in debt</p>	<p>Ways debt may arise, e.g.:</p> <ul style="list-style-type: none"> <li>• spending more money than you earn</li> <li>• gambling and losing</li> </ul> <p>Problems of getting into debt, e.g.:</p> <ul style="list-style-type: none"> <li>• insufficient income to live on</li> <li>• repossession of goods</li> <li>• repossession of house</li> <li>• adverse effect on personal wellbeing</li> </ul> <p>People or organisations who could help, e.g.:</p> <ul style="list-style-type: none"> <li>• Citizens Advice Bureau (CAB)/Money Advisory Service (MAS)</li> <li>• Bank/building society</li> <li>• Credit union/community lenders</li> <li>• Financial advisor</li> </ul> <p>Help for individuals, e.g.:</p> <ul style="list-style-type: none"> <li>• help with budgeting</li> <li>• act as intermediary</li> <li>• how to negotiate with creditors</li> <li>• access to solicitors</li> <li>• increase overdraft facility</li> </ul>

## Assessment

All units are centre-assessed and externally moderated by OCR. Centres may use the evidence booklets supplied by OCR, but these are not mandatory. Any centres choosing not to use the OCR booklets will need to produce evidence that enables candidates to meet all of the learning outcomes and assessment criteria in the units. When submitting centre devised evidence to OCR an evidence checklist must be completed and attached.

When candidates complete a task, the centre assessor (usually the teacher/tutor) assesses their work. When the assessor is satisfied that the candidate has met all the requirements for a unit, they must confirm this by signing the cover of the evidence booklet (or by completing the evidence checklist) for that unit to show that the assessment process is complete.

Results will be graded Pass or Fail.

## Evidence requirements

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Evidence can be produced either through real work or by means of simulated activities.

In order to achieve this unit the candidate must demonstrate that they have met all of the stated learning outcomes and assessment criteria. OCR has produced specific assessment guidance for each unit which centre assessors must follow to ensure the evidence meets all the requirements of the units.

## Guidance on assessment and evidence requirements

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The unit content describes what has to be taught to ensure that candidates are able to access the highest grade.

Anything which follows an i.e. details what must be taught as part of that area of content.

Anything which follows an e.g. is illustrative, it should be noted that where e.g. is used, candidates must know and be able to apply relevant examples to their work though these do not need to be the same ones specified in the unit content.

You should refer to the '*Admin Guide: Vocational Qualifications (A850)*' for *Notes on Preventing Computer-Assisted Malpractice*.

You should refer to the JCQ document: *Access Arrangements, Reasonable Adjustments and Special Consideration 2012-2013* for information on how to assist candidates with special access requirements.

## Functional skills signposting

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This section indicates where candidates may have an opportunity to develop their functional skills.

<b>Functional Skills Standards</b>					
<b>English</b>		<b>Mathematics</b>		<b>ICT</b>	
Speaking and Listening		Representing	√	Use ICT systems	√
Reading	√	Analysing	√	Find and select information	√
Writing	√	Interpreting	√	Develop, present and communicate information	

## Resources

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Access to sources of under-pinning knowledge such as centre teaching materials, books, journals, etc., might be of help.

Websites with free resources include:

<http://www.teachingfc.co.uk>.

<http://www.moneysmartworld.com/index.php/teachers.html>

<http://www.tes.co.uk/teaching-resource/Free-online-financial-capability-resource>

The following resources are available on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk):

- Unit specification
- Candidate evidence booklets, evidence checklists and assessment guidance for each unit
- Worked examples of tasks from evidence booklets
- Employability Skills Glossary
- Employability Skills support pack
- Tutor Support Sheet - Skills and attributes
- Frequently Asked Questions (FAQs)
- Introduction for Tutors in the evidence booklet
- Administration documents: Submission Cover Sheet, internal standardisation form

## Additional information

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For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications*' (A850) on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk) .