

## Core Part 1.2 Personal Finance

Focus: Students develop knowledge, understanding and skills that assist them to achieve financial independence by developing the ability to make informed judgements and to take effective decisions regarding the use and management of money.

<p><b>Outcomes:</b> A student:</p> <p>5.1 applies consumer, financial, business, legal and employment concepts and terminology in a variety of contexts</p> <p>5.2 analyses the rights and responsibilities of individuals in a range of consumer, financial, business, legal and employment contexts</p> <p>5.3 examines the role of law in society</p> <p>5.4 analyses key factors affecting commercial and legal decisions</p> <p>5.5 evaluates options for solving commercial and legal problems and issues</p> <p>5.6 monitors and modifies the implementation of plans designed to solve commercial and legal problems and issues</p> <p>5.7 researches and assesses commercial and legal information using a variety of sources</p> <p>5.8 explains commercial and legal information using a variety of forms</p> <p>5.9 works independently and collaboratively to meet individual and collective goals within specified timelines</p>	
<p><b>Students learn about:</b></p> <p><b>Earning an income</b></p> <ul style="list-style-type: none"> <li>• types of income             <ul style="list-style-type: none"> <li>– from work, investments, business ventures and social welfare programs</li> </ul> </li> </ul> <p><b>Spending and saving income</b></p> <ul style="list-style-type: none"> <li>• expenditure</li> <li>• spending patterns and factors which influence the need for saving             <ul style="list-style-type: none"> <li>– income, age, location, wealth</li> </ul> </li> </ul> <p><b>Borrowing money</b></p> <ul style="list-style-type: none"> <li>• reasons for borrowing</li> <li>• getting a loan             <ul style="list-style-type: none"> <li>– types of loans, lending institutions, ability to repay, credit rating</li> </ul> </li> </ul>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>• identify the different types of income</li> <li>• identify fixed and variable expenditure</li> <li>• discuss the reasons for saving</li> <li>• investigate the relationship between responsible spending and saving patterns at various life stages</li> <li>• discuss the reasons for and against borrowing money</li> <li>• evaluate the borrowing options for making a substantial purchase</li> <li>• identify specific situations in which individuals should or should not borrow money</li> <li>• compare the advantages and disadvantages of different types of loans and lenders</li> <li>• identify factors affecting an individual’s credit rating</li> </ul>

<p><b>Students learn about:</b></p> <p><b>Managing finances</b></p> <ul style="list-style-type: none"> <li>• features of responsible financial management             <ul style="list-style-type: none"> <li>– budgeting</li> <li>– saving</li> <li>– monitoring and record-keeping</li> <li>– avoiding overcommitments</li> </ul> </li> <li>• insurance</li> <li>• consequences of poor financial management             <ul style="list-style-type: none"> <li>– financial</li> <li>– legal</li> <li>– social</li> </ul> </li> <li>• sources of financial advice             <ul style="list-style-type: none"> <li>– the financial services industry: the range of organisations and the services offered</li> <li>– the responsibilities of lenders and financial advisers and their legal obligations</li> </ul> </li> <li>• the laws that regulate and monitor the financial services industry</li> </ul> <p><b>Investing money</b></p> <ul style="list-style-type: none"> <li>• reasons for investing             <ul style="list-style-type: none"> <li>– major purchase, extra income, retirement</li> </ul> </li> <li>• overview of investment options             <ul style="list-style-type: none"> <li>– shares, property, superannuation, managed funds</li> </ul> </li> </ul>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>• use a spreadsheet to prepare a hypothetical household budget which includes the following categories:             <ul style="list-style-type: none"> <li>– income and borrowing</li> <li>– fixed and variable expenditure</li> <li>– saving</li> </ul> </li> <li>• monitor and modify the hypothetical budget</li> <li>• identify different types of insurance policies and discuss their importance             <ul style="list-style-type: none"> <li>– health, car, home, life, income protection</li> </ul> </li> <li>• identify the consequences of the misuse of credit</li> <li>• identify and critically analyse a range of strategies to solve a variety of financial problems</li> <li>• discuss the factors which may contribute to financial mismanagement in particular communities</li> <li>• research and report on the scope of the financial services industry</li> <li>• access and evaluate financial advice provided by a range of organisations</li> <li>• discuss the responsibilities of lenders and advisers when providing relevant information and advice for individuals and community groups</li> <li>• investigate the key changes in consumer laws that protect individuals</li> <li>• analyse reasons for saving and investing and for postponing consumption for future gain</li> <li>• recognise the relationship between risk and return by investigating investment options</li> <li>• create a portfolio of shares using a database and modify the portfolio using changes in share prices</li> </ul>
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