Unit 51 - Managing My Money

Overview

Managing my money at Entry Level 3 requires the candidate to understand the implications of setting up (or not) a bank account in order to manage their money. They need to be able to understand the implications of borrowing money and the relationship with their earnings. They need to demonstrate that they understand their finances and can manage their money effectively.

A work activity will typically be 'straightforward or routine' because:

The task or context will be familiar and involve few variable aspects. The techniques used will be familiar or commonly undertaken.

Example of context – Make a simple report on setting up a bank account.

Assessor's guide to interpreting the criteria

General Information

QCF general description for Level 1 qualifications

- Achievement at RQF entry level 3 (EQF Level 1) reflects the ability to use relevant knowledge, skills and procedures to complete routine tasks. It includes responsibility for completing tasks and procedures subject to direction or guidance.
- Use knowledge of facts, procedures and ideas to complete well- defined, routine tasks. Be aware of information relevant to the area of study or work
- Complete well-defined routine tasks. Use relevant skills and procedures. Select and use relevant information. Identify whether actions have been effective.
- Take responsibility for completing tasks and procedures subject to direction or guidance as needed

Requirements

- Standards must be confirmed by a trained Level 1 Assessor or higher
- Assessors must at a minimum record assessment judgements as entries in the online mark book on the INGOTs.org certification site.
- Routine evidence of work used for judging assessment outcomes in the candidates' records of their day to day work will be available from their e-portfolios and online work. Assessors should ensure that relevant web pages are available to their Account Manager on request by supply of the URL.
- When the candidate provides evidence of matching all the criteria to the specification, subject to the guidance below, the assessor can request the award using the link on the certification site. The Account Manager will request a random sample of evidence from candidates' work that verifies the assessor's judgement.
- When the Account Manager is satisfied that the evidence is sufficient to safely make an award, the candidate's success will be confirmed and the unit certificate will be printable from the web site.
- Each unit at Level 1 has recommended 40 guided learning hours based on time required to complete by an average learner.

Assessment Method

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Assessors can score each of the criteria N, L, S or H. N indicates no evidence and it is the default setting. L indicates some capability but some help still required to meet the standard. S indicates that the candidate can match the criterion to its required specification in keeping with the overall level descriptor. H indicates performance that goes beyond the expected in at least some aspects. Candidates are required to achieve at least S on all the criteria to achieve the full unit award. Once the candidate has satisfied all the criteria by demonstrating practical competence in realistic contexts they achieve the unit certificate.

Expansion of the assessment criteria

1. The candidate will know about banking services

1.1 I can identify the reason for/benefit of having a bank/building society account

Candidates should be able to give a clear reason for this benefit

Evidence: Documentation in portfolios, assessor observations.

Additional information and guidance

The main benefit of a bank or building society relates to security. With current laws, your money is safe (barring a complete meltdown of the country) to £85,000. That means that if the bank or building society has some problems and goes under, your £85,000 will be protected. In more day to day terms, if you keep all of your savings at home, there is more chance of you losing it if your house gets burgled. One other key advantage is that all the time your money is in a bank or building society, it is gaining daily interest. The rate of interest (late 2018) is quite low, but it still gains you some money on top of your savings. Other services are helping you borrow money for other things you can't afford, like houses or cars and giving you the ability to get money when you are abroad in another country.

1.2 I can identify an advantage and disadvantage of borrowing money

Candidates should be able to give some clear examples

Evidence: Documentation in portfolios, assessor observations.

Additional information and guidance

One key advantage of borrowing money is that you can have an amount that you yourself don't have. For example, few people in the UK other than the top 10% can afford to buy a house. By borrowing money from a bank or building society over 25 or so years, it makes a house "affordable". The main disadvantage of borrowing money really depends on the nature of the borrowing. These days there are a number of "loan sharks". These are people or companies that lend people money at very high interest rates, sometimes a 1000%. Borrowing money at these sorts of rates would be almost impossible to ever pay back.

1.3 I can identify an advantage of saving money

Candidates should be able to identify an advantage

Evidence: Documentation in portfolios, assessor observations.

Additional information and guidance

The amount of money you can save will depend on what "disposable" income you have. If you are well paid, the average salary in 2018 is about £22,000 per year, you may have some money left after paying your bills to be able to save something. Most people can't do that as their income and

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expenses are often the same. If you can save, it means that you will earn some interest and will have some money as a buffer in case you have problems, i.e. if you loose your job for a while or have a large expense to pay such as a broken car to replace.

2. The candidate will know about deductions from earnings

2.1 I can state a deduction that can be made from earnings

The candidate will be able to say what the deduction is

Evidence: From portfolios, local testing, assessor observations

Additional information and guidance

The main deductions are tax related, so income tax as well as National Insurance. There might also be a student loan deduction if you went to university and earn over £21,000 per year. Other deductions will relate to pension schemes and other saving schemes. You might have money deducted to pay for your union membership.

2.2 I can state what this deduction is for

The candidate will be able to explain a deduction

Evidence: From portfolios, local testing, assessor observations

Additional information and guidance

Your income tax pays for roads, hospitals (building etc), defense and other national items. National Insurance deductions are to pay for free medical and dentists for your children.

3. The candidate will understand the importance of own money management

3.1 I can give an example of a personal need

The candidate will be able to give an example of a personal need

Evidence: From portfolios, local testing, assessor observations

Additional information and guidance

Most needs are fundamental things, such as shelter, warmth, food, good health etc. These days, it could be argued that the Internet is a need as it provides information and social connections.

3.2 I can give an example of a personal want

The candidate will be able to give a clear example

Evidence: From portfolios, local testing, assessor observations

Additional information and guidance

A want is something that you desire, rather than something that you need to service or prosper. Most people want to have fancy cars, phones etc. Problems occur when you can borrow money to satisfy your wants, but then don't have enough money for your needs.

3.3 I can estimate the cost of these personal wants and needs

The candidate will be able to give a working example of their overall costs and expenses

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Evidence: From portfolios, local testing, assessor observations

Additional information and guidance

Candidates can show some basic research about prices of things they have classified as needs and wants. For example, how much is rental in their area? How much does travel to work cost? What is the average cost of a weekly shop [1] or heating and electric bills [2].

Moderation/verification

The assessor should keep a record of assessment judgements made for each candidate guided by the above guidance. Criteria should be interpreted in the context of the general descriptors of RQF Level 1 qualifications. They should make notes of any significant issues for any candidate and be in a position to advise candidates on suitable routes for progression. They must be prepared to enter into dialogue with their Account Manager and provide their assessment records to the Account Manager through the on-line mark book. They should be prepared to provide evidence as a basis for their judgements through reference to candidate e-portfolios. Before authorising certification, the Account Manager must be satisfied that the assessors judgements are sound. In the event of missing evidence, the assessor will be requested to gather appropriate information before the award can be made.

Source URL: https://theingots.org/community/emel3u51x

Links
[1] https://www.moneyadviceservice.org.uk/blog/how-does-your-household-spend-compare-to-the-uk-average
[2] https://www.moneyadviceservice.org.uk/blog/what-is-the-average-cost-of-utility-bills-per-month

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