

# **LIBF Level 1 / Level 2 Lessons in Financial Education Certificate (LiFC)**

Qualification Specification



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## Purpose of the qualification

### Why study the LIBF Lessons in Financial Education Certificate (LiFC)?

The LIBF Level 1 / Level 2 Lessons in Financial Education Certificate (LiFC) is an accessible e-learning programme which will allow you to experience financial education on a 'learning by doing' basis. The programme is intended to be supported by teachers in delivery but has the structure to allow you to work through the programme on your own. You will be able to use tutor time, lesson time, after-school clubs, community centres and a host of enrichment opportunities to access the learning.

By studying the LiFC, you will engage with finance-specific knowledge and understanding by relating it directly to your own personal financial decision-making. You will gain an understanding on how to maintain your financial wellbeing, maintain your financial sustainability and make the most of your budget. You will also be provided with an insight into a range of career opportunities, within the financial services industry and other industries, and how to apply for a job.

The LiFC provides you with the opportunity to formally assess your knowledge and understanding gained from completing Unit 2 and Unit 3 of the LiFE Programme, if you have successfully gained the LIBF Level 1 Lessons in Financial Education Award (LiFA). If you have not already studied and passed the LiFA, you have the opportunity to complete and formally assess your knowledge across Unit 1, Unit 2 and Unit 3. The LiFC is registered as a Level 1 / Level 2 qualification, which aims to recognise learner achievement across the qualification.

### Objective

The LiFC will give you a good understanding of money and finance, financial wellbeing and sustainability, providing valuable insight into a range of career opportunities within the financial services sector, while giving guidance on methods for enhancing your employability skills.

## Learning Outcomes

### Unit 1 – Your Personal Finances

| Learning Outcomes |  |
|-------------------|--|
| 1                 | Assess the principles of money.                |
| 2                 | Determine how people can obtain money.         |
| 3                 | Identify how money is spent and how to budget. |
| 4                 | Examine how to manage money.                   |
| 5                 | Identify the ways we borrow money.             |
| 6                 | Identify how to protect ourselves financially. |
| 7                 | Define what is meant by responsible gambling.  |
| 8                 | Identify the current threats to our own money. |

### Unit 2 – Money Management for Your Generation

| Learning Outcomes |   |
|-------------------|---|
| 1                 | Interpret the channels used to manage money.  |
| 2                 | Identify the sources of pay and pay calculations.   |
| 3                 | Assess the key methods of making payments.  |
| 4                 | Examine the cost of borrowing.  |
| 5                 | Identify how to use money abroad.   |
| 6                 | Assess the process to make informed decisions about personal finance and understand the consequences. |
| 7                 | Identify to approach for different types of financial advice.   |
| 8                 | Identify how investments are different from savings.  |

## Unit 3 –Financial Careers and Financial Sustainability

| Learning Outcomes |   |
|-------------------|---|
| 1                 | Identify how to consider and prepare for careers.   |
| 2                 | Understand the roles, careers, and sectors in the financial services marketplace.                             |
| 3                 | Identify good practice in financial wellbeing.  |
| 4                 | Examine how good financial planning throughout the personal life cycle affects your financial sustainability. |
| 5                 | Interpret how external factors can affect your financial sustainability.                                      |

This qualification equips you with the knowledge to cope confidently and effectively with basic financial encounters you are likely to meet. You will develop knowledge and understanding of spending and how to become competent at managing your own money. You will also explore various careers within the financial services industry.

### Key skills

The qualification will encourage you to:

- develop an understanding of the key content areas and how they relate to each other;
- use appropriate tools to manage a personal budget;
- make informed financial decisions;
- demonstrate numeracy skills, including the ability to manipulate financial and other numerical data; (such as calculating the costs of borrowing and spending);
- communicate basic financial concepts;
- increase your ability to learn independently;
- understand how financial decisions can impact a person's future;
- develop an understanding of the financial services industry; and
- develop an understanding of how to prepare for a career in financial services.

The qualification is designed at Level 1 / 2 and is primarily aimed at 14–16-year-olds. However, due to the flexibility of access, LiFC will also enable a wider distribution to more vulnerable groups, including children with Special Educational Needs and Disability (SEND), students in alternative settings, sixth-form students and the wider school community.

## **Entry requirements**

There are no entry requirements for this qualification.

You are expected to be able to study in English and have basic IT and numeracy skills.

## **Recognition of prior learning**

If you have successfully passed the LIBF Level 1 Lessons in Financial Education Award (LiFA) you will have already completed Unit 1 of this qualification.

## **Progression and preparation for further study**

By taking this qualification, you will develop the knowledge and understanding of personal finance that will support your progression on to more advanced studies in finance-related fields. This qualification provides a solid foundation in concepts related to personal finance, budgeting and money management, which are a firm basis for further study in many areas related to the financial sector such as Level 2 and 3 qualifications in business, accounting and finance. The transferable skills developed are also valuable for further study in unrelated disciplines.

## **Apprenticeships**

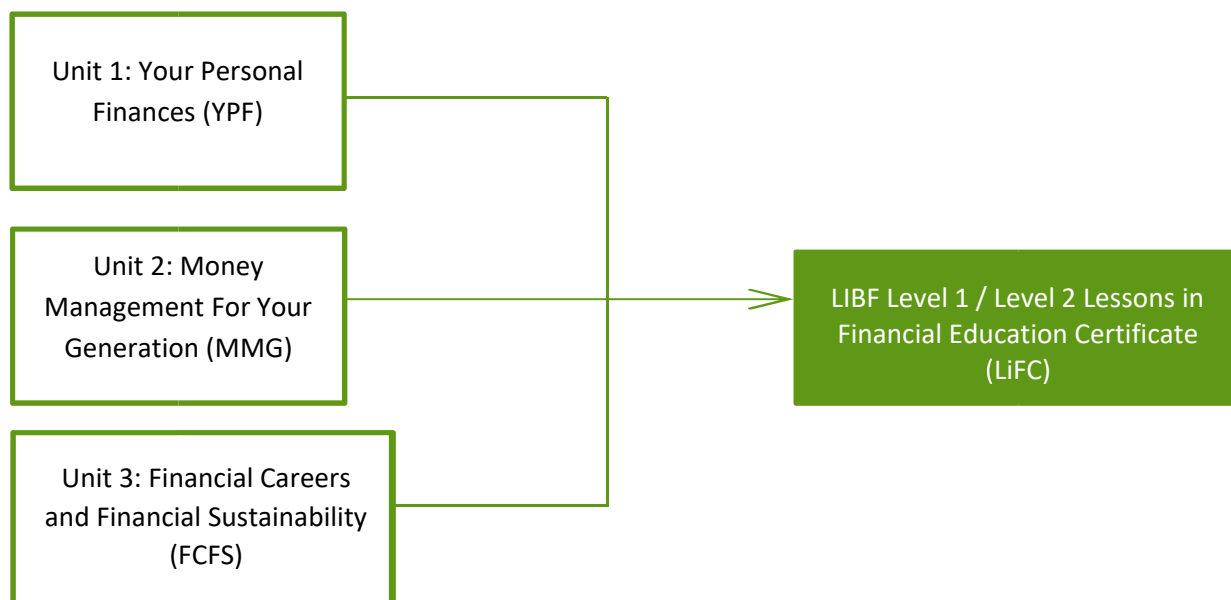
The LiFC is not available for study through an apprenticeship standard.

## **Preparation for employment**

This qualification provides you with the initial basic understanding and skills that are valued in most organisations and job roles, particularly the financial services sector. Additionally, the qualification will help provide underpinning knowledge for those who are considering self-employment. Please note that this qualification does not qualify you for direct entry to a particular occupational role.

## Structure

The LiFC is made up of three mandatory units which need to be successfully passed in order to achieve the Certificate.



The detailed unit profiles are available at Appendix 3, 4 and 5 to this document and latest versions are always available through our [website](#).

## Total Qualification Time (TQT)

The LiFC is primarily considered as a taught qualification with planned examination sessions.

|                          |           |
|--------------------------|-----------|
| Guided Learning Hours    | 120 hours |
| Other hours              | 80 hours  |
| Total Qualification Time | 200 hours |

Total Qualification Time (TQT) is a prediction of the total time the typical learner may need to complete the course. TQT consists of two elements, Guided Learning Hours (GLH) and all other hours:

- GLH is time spent studying under the immediate guidance or supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, completing homework and exam preparation.

## Learning resources

The LiFC will be offered as an e-learning programme. Each learning outcome will provide you with a number of activities to test your knowledge and understanding. The content of each learning outcome will be supported by links to websites that will provide additional information for a number of areas within the programme. For each topic, you will complete the following:

- topic and related resources and activities.
- an activity to check your understanding.
- an end-of-topic quiz comprised of up to ten questions.

Topic handouts will be provided for each unit. A teacher guide will also be provided to support all three units containing ideas for additional activities that can be used in an alternative classroom setting to support learners with differing learning styles.

## What to do before the assessment

You must be registered to sit the exam session. Your exams administrator will typically arrange your exam sitting for you.

To prepare for the assessment, you will have worked through all topics and related activities. You have the opportunity to work back through any area or topic, in any sequence on the course site in order to revise and prepare for the assessment.

## Assessment

You need to have completed the LiFE Programme in order to undertake the LiFC assessment. The LiFC is assessed via the following method using e-test:

- Unit 1: 30 standalone multiple-choice questions (total marks 30), to be completed in 30 minutes.
- Unit 2: 15 standalone multiple-choice questions, and 4 case studies where there are 5 questions linked to that case study and subject content (total marks 35), to be completed in 45 minutes.
- Unit 3: 15 standalone multiple-choice questions, and 4 case studies where there are 5 questions linked to that case study and subject content (total marks 35), to be completed in 45 minutes.



For the multiple-choice assessment for Unit 1, each item will require you to choose the correct answer from a choice of four possible answers.

For the multiple-choice assessment for Unit 2 & 3, the standalone multiple-choice questions will require you to choose the correct answer from a choice of four possible answers. There will also be four case studies, each with five associated questions, which will be questions that will require you to choose the correct answer from a choice of four possible answers.

Standalone and case study multiple-choice questions at Unit 2 and 3 will be assessed at Level 1 and Level 2.

No teacher-set or teacher-marked tasks or assignments will contribute to your marks and all assessment will be under strict examination conditions.

## Unit 1 – Your Personal Finances

For Unit 1, students will be graded as pass/fail. This unit is already available for registration, as the LIBF Level 1 Lessons in Financial Education Award (LiFA).

The overall grade bands (out of a total of 30 marks) are as follows:

| Grade | Grade bands (raw mark) |
|-------|------------------------|
| Fail  | 0 – 14                 |
| Pass  | 15 – 30                |

## Unit 2 – Money Management for your Generation

The Unit 2 exam is worth 35 marks towards the overall accumulated total of 100 marks.

Unit 2, students will be graded as pass/fail.

The overall grade bands (out of a total of 35 marks) are as follows:

| Grade | Grade bands (raw mark) |
|-------|------------------------|
| Fail  | 0 – 9                  |
| Pass  | 10 – 35                |

## Unit 3 – Financial Careers and Financial Sustainability (FCFS)

The Unit 3 exam is worth 35 marks towards the overall accumulated total of 100 marks.

For Unit 3, students will be graded as pass/fail.

The overall grade bands (out of a total of 35 marks) are as follows:

| Grade | Grade bands (raw mark) |
|-------|------------------------|
| Fail  | 0 – 9                  |
| Pass  | 10 – 35                |

You will be provided with a feedback analysis sheet via MyLIBF once you have sat the exam. The analysis sheet details the questions answered correctly across the learning outcomes, as well as the syllabus areas with questions answered incorrectly, to help with further revision.

### Qualification grading

The table below shows the grading for the LiFC qualification, accumulating the examination scores of all three units:

|                |               | Maximum Mark 100 |
|----------------|---------------|------------------|
| <b>Level 2</b> | <b>Grade</b>  | <b>Raw Mark</b>  |
|                | Distinction * | 80               |
|                | Distinction   | 70               |
|                | Merit         | 60               |
|                | Pass          | 50               |
| <b>Level 1</b> |               |                  |
|                | Merit         | 45               |
|                | Pass          | 35               |

These scores are not subject to UMS nor changes by session. The examinations are continuously reviewed to ensure the standards are valid and reliable.

## Resit attempts

You are allowed to register for two resit attempts per unit in accordance with the published qualification terms and conditions. You and your teachers should be aware that the resit opportunities will contain different questions as appropriate. The result that gives you the highest mark is used.

Full terms and conditions are available on our [website](#).

## Appendices

### Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

|   |   |
|---|---|
| Qualification title                           | LIBF Level 1 / Level 2 Lessons in Financial Education Certificate (LiFC)  |
| Ofqual qualification number                   | 603/1933/1  |
| Qualification level                           | 1 / 2   |
| European Qualifications Framework (EQF) level | 2 / 3   |
| Guided learning hours                         | 120 hours   |
| Total qualification time                      | 200 hours   |
| Total credits                                 | 20  |
| Sector Subject Area                           | 14.1 Foundations for Learning and Life  |
| Overall grading type                          | Level 2 Distinction*, Level 2 Distinction, Level 2 Merit, Level 2 Pass and Level 1 Merit, Level 1 Pass                                |
| Assessment methods                            | Multiple-choice examination   |
| Offered in                                    | England, Wales, Scotland and Northern Ireland   |
| Qualification for ages                        | 14 – 16   |
| Operational start date                        | 1 September 2022  |
| Qualification description                     | The LiFC consists of three mandatory units. A total credit value of 20 credits must be obtained for achievement of the qualification. |

## Appendix 2 – Qualification weighting detail

This document describes the different knowledge descriptors for each unit in terms of the specific unit level descriptors.

The table below details the assessment criteria that fall into the Regulated Qualifications Framework (RQF) Level descriptors.

### Key skills for Assessment

Unit assessment criteria testing key skills:

| Assessment criteria testing key skills   | Unit 1  | Unit 2                           | Unit 3                |
|--|---|----------------------------------|-----------------------|
| <p>Level 1 Knowledge descriptor</p> <p>The holder:</p> <ul style="list-style-type: none"> <li>has basic factual knowledge of a subject and/or knowledge of facts, procedures and ideas to complete well-defined routine tasks and address simple problems</li> <li>is aware of aspects of information relevant to the area of study or work</li> </ul> | <p>1.1</p> <p>2.1</p> <p>3.1</p> <p>4.1</p> <p>4.2</p> <p>5.2</p> <p>6.1</p> <p>6.2</p> | <p>1.1</p> <p>3.1</p> <p>4.1</p> | <p>2.1</p> <p>3.1</p> |
| <p>Level 1 Skills descriptor</p> <p>The holder can:</p> <ul style="list-style-type: none"> <li>use basic cognitive and practical skills to complete well-defined routine tasks and procedures</li> <li>select and use relevant information.</li> <li>identify whether actions have been effective</li> </ul>   | <p>2.2</p> <p>2.3</p> <p>3.2</p> <p>4.3</p> <p>5.1</p> <p>7.1</p> <p>8.1</p>            | <p>1.1</p> <p>3.1</p>            | <p>2.3</p> <p>3.2</p> |

|  |  |  |   |
|--|--|--|---|
| <p>Level 2 Knowledge descriptor</p> <p>The holder:</p> <ul style="list-style-type: none"> <li>• has knowledge and understanding of facts, procedures and ideas in an area of study or field of work to complete well-defined tasks and address straightforward problems</li> <li>• can interpret relevant information and ideas</li> <li>• is aware of a range of information that is relevant to the area of study or work</li> </ul> |  | <p>2.1</p> <p>3.2</p> <p>4.2</p> <p>5.1</p> <p>6.1</p> <p>7.1</p> <p>8.1</p> | <p>1.1</p> <p>2.2</p> <p>4.1</p> <p>4.2</p> <p>5.1</p> <p>5.2</p> |
| <p>Level 2</p> <p>Skills descriptor</p> <p>The holder can:</p> <ul style="list-style-type: none"> <li>• select and use relevant cognitive and practical skills to complete well-defined, generally routine tasks and address straightforward problems</li> <li>• identify, gather and use relevant information to inform actions</li> <li>• identify how effective actions have been</li> </ul>  |  | <p>5.2</p> <p>6.2</p> <p>8.2</p>   | <p>3.3</p> <p>4.3</p> <p>4.4</p>                                  |

## Appendix 3 – Unit 1 – Your Personal Finances

### Unit narrative

In this unit, you will develop an understanding of money and sources of money. You will learn how to store money safely, how to prepare a personal budget and learn about different types of borrowing. You will also develop your understanding of saving money, borrowing money, keeping your money safe in a modern world, understand responsible gambling and different types of insurance. This unit will help you to develop your understanding of spending and how to become competent at managing your own money.

### Unit profile

|                              |                                      |
|------------------------------|--------------------------------------|
| Unit title                   | Unit 1: Your Personal Finances (YPF) |
| Ofqual unit reference number | T/508/5292                           |
| Unit level                   | 1                                    |
| Unit credit value            | 4                                    |
| Typical study hours          | 40                                   |

### Unit 1 assessment methodology

- a. The assessment of Unit 1 comprises 30 standalone multiple-choice questions. The examination is to be completed in 30 minutes.
- b. The examination will be worth a total of 30 marks.



## Unit 1 learning outcomes / assessment criteria

| Learning outcome (LO)<br>The learner when awarded credit for this unit will: | Assessment criteria (AC)<br>Assessment of the LOs will require a learner to demonstrate that they can:   |
|--|--|
| 1. Assess the principles of money.   | 1.1 Assess the key roles, features, and definitions of money.  |
| 2. Determine how people can obtain money.                                    | 2.1 Identify the various sources of income.<br>2.2 Identify how income can be taxed.<br>2.3 Determine the different ways that items can be exchanged for money.            |
| 3. Identify how money is spent and how to budget.                            | 3.1 Identify the different types of spending.<br>3.2 Identify how to manage a personal financial budget.   |
| 4. Examine how to manage money.  | 4.1 Identify where money can be stored.<br>4.2 Examine the features and differences between a basic and current account.<br>4.3 Identify the features of savings accounts. |
| 5. Identify the ways we borrow money.  | 5.1 Identify why people borrow money.<br>5.2 Identify personal borrowing choices.  |
| 6. Identify how to protect ourselves financially.                            | 6.1 Identify the purpose and types of insurance.<br>6.2 Identify how inheritance works.  |
| 7. Define what is meant by responsible gambling.                             | 7.1 Define the risk and reward in gambling.  |
| 8. Identify the current threats to our own money.                            | 8.1 Identify ways of keeping money safe.   |

## Unit 1 syllabus

| <b>UNIT 1 SYLLABUS</b> |  |
|------------------------|--|
| <b>LOs / ACs</b>       |  |
| <b>LO1:</b>            | <b>Assess the principles of money</b>  |
| AC1.1                  | <ul style="list-style-type: none"> <li>• Assess the key roles, features and definitions of money               <ul style="list-style-type: none"> <li>- What people did before money (other items)</li> <li>- What people did before money (barter)</li> <li>- How barter still operates today</li> </ul> </li> <li>• What makes money               <ul style="list-style-type: none"> <li>- The features of money</li> <li>- Types of money and how it is used</li> </ul> </li> <li>• How we know money is genuine</li> <li>• How we pay other people</li> <li>• Electronic balances and modern methods of payment (more in LO 3)</li> <li>• Cash, identify the denominations of English notes and coins</li> <li>• Cash transactions and change</li> <li>• Cash in NI and Scotland</li> </ul>   |
| <b>LO2:</b>            | <b>Determine how people can obtain money</b>   |
| AC2.1                  | <ul style="list-style-type: none"> <li>• Identify the various sources of income</li> <li>• Definition of earned income, including features such as:               <ul style="list-style-type: none"> <li>- Difference between earnings and a salary</li> <li>- National minimum wage/living wage</li> <li>- Different types of employment:                   <ul style="list-style-type: none"> <li>- Full time working</li> <li>- Shifts</li> <li>- Part-time working</li> <li>- Zero-hour contracts</li> </ul> </li> </ul> </li> <li>• Earnings from self-employment</li> <li>• Definition of unearned income</li> <li>• Income for people who are not working               <ul style="list-style-type: none"> <li>- Education Maintenance Allowance (EMA)</li> <li>- Universal Credit and how it incorporates the following benefits</li> <li>- Jobseeker's Allowance (JSA)</li> <li>- Income Support</li> <li>- Employment and Support Allowance (ESA)</li> <li>- Child Benefit</li> <li>- Basic state pension [includes new state pension]</li> <li>- Auto-enrolment and NEST</li> </ul> </li> <li>• Savings and Investment income</li> <li>• Property income</li> <li>• Gifts</li> <li>• Inheritance</li> </ul> |

|             |   |
|-------------|---|
| AC 2.2      | <ul style="list-style-type: none"> <li>• Identify how income can be taxed <ul style="list-style-type: none"> <li>- What income tax is, how is it used and who pays it</li> <li>- Personal allowance</li> <li>- What the rates of income tax are</li> <li>- What National Insurance is, how is it used and who pays it</li> <li>- NI allowance</li> <li>- What the rates of NICs are</li> <li>- Pay as you earn (PAYE)</li> <li>- What a Payslip looks like and its features</li> </ul> </li> </ul>  |
| AC2.3       | <ul style="list-style-type: none"> <li>• Determine the different ways that items can be exchanged for money <ul style="list-style-type: none"> <li>- Why we might sell items</li> <li>- Where we can sell items</li> <li>- Online auctions</li> <li>- What the costs of selling are on online auctions</li> <li>- Car boot and garage sales</li> <li>- Online marketplaces</li> <li>- Cash for gold</li> <li>- Cash converters</li> <li>- Recycling mobile phones/DVDs/clothes etc.</li> </ul> </li> </ul>  |
| <b>LO3:</b> | <b>Identify how money is spent and define the importance of budgeting how to budget</b>   |
| AC3.1       | <ul style="list-style-type: none"> <li>• Identify the different types of spending</li> <li>• How we choose to spend money <ul style="list-style-type: none"> <li>- Needs v wants</li> <li>- Essential v non-essential spending</li> </ul> </li> <li>• Value for money</li> <li>• Attitudes to spending <ul style="list-style-type: none"> <li>- Three attitudes to spending</li> <li>- Prioritising</li> </ul> </li> </ul>  |
| AC 3.2      | <ul style="list-style-type: none"> <li>• Identify how to manage a personal financial budget <ul style="list-style-type: none"> <li>- What 'budgeting' is</li> <li>- Income and expenditure, time periods</li> <li>- Short-term budgeting and medium-term budgeting</li> <li>- Reconciling with bank statements/online/using banking apps</li> <li>- Putting it all together</li> <li>- Creating a medium-term budget</li> <li>- What happens when circumstances change</li> </ul> </li> <li>• Price comparison and shopping around <ul style="list-style-type: none"> <li>- Good v poor deals (buy one get one free, etc.)</li> <li>- False economy</li> <li>- Loyalty cards</li> </ul> </li> </ul> |

|             |   |
|-------------|---|
| <b>LO4:</b> | <b>Examine how to manage money</b>  |
| AC 4.1      | <ul style="list-style-type: none"> <li>• Identify where money can be stored <ul style="list-style-type: none"> <li>- Where we can store money (cash) in a house</li> <li>- Carrying our cash with us</li> <li>- Where we can store our money/cash <ul style="list-style-type: none"> <li>- Banks</li> <li>- Building societies and credit unions</li> <li>- Online banks</li> <li>- Types of providers, including geographical, occupational and multicultural providers</li> </ul> </li> </ul> </li> <li>• How we know our money is safe</li> </ul>  |
| AC4.2       | <ul style="list-style-type: none"> <li>• Examine the features and differences between a basic and current account</li> <li>• Which is the right account for you</li> <li>• Basic/Current accounts <ul style="list-style-type: none"> <li>- Sort code and account number</li> </ul> </li> <li>• Debit cards <ul style="list-style-type: none"> <li>- Chip and PIN</li> <li>- Contactless cards/contactless payment</li> </ul> </li> <li>• Purchasing on the internet</li> <li>• How do we can deposit and withdraw money <ul style="list-style-type: none"> <li>- Automatic teller machine (ATM)</li> <li>- In branch</li> </ul> </li> <li>• How we pay other people <ul style="list-style-type: none"> <li>- Direct debits</li> <li>- Standing orders</li> <li>- Cheques</li> </ul> </li> <li>• Online/mobile phone apps</li> </ul> |
| AC 4.3      | <ul style="list-style-type: none"> <li>• Identify the features of savings accounts</li> <li>• Savings accounts <ul style="list-style-type: none"> <li>Why we save money <ul style="list-style-type: none"> <li>- Saving for the future</li> <li>- Saving for the present, rainy-day funds</li> <li>- Earning interest</li> </ul> </li> </ul> </li> <li>• Tax on savings interest</li> <li>• Choice of savings accounts <ul style="list-style-type: none"> <li>- Instant-access account</li> <li>- Notice account</li> <li>- Cash individual savings account (ISA)</li> <li>- Why we might choose these options</li> </ul> </li> <li>• How interest is calculated <ul style="list-style-type: none"> <li>- What people want in a savings account</li> </ul> </li> </ul>  |

|             |   |
|-------------|---|
| <b>LO5:</b> | <b>Identify the ways we borrow money</b>  |
| AC5.1       | <ul style="list-style-type: none"> <li>• Identify why people borrow money <ul style="list-style-type: none"> <li>- How borrowing works</li> <li>- Affordability</li> <li>- Checking our budget</li> <li>- Considering interest</li> <li>- Annual percentage rate (APR)</li> <li>- How we choose the right lender</li> </ul> </li> </ul>   |
| AC5.2       | <ul style="list-style-type: none"> <li>• Identify borrowing choices <ul style="list-style-type: none"> <li>- Borrowing choices</li> <li>- Providers of borrowing products</li> <li>- Including examples of credit union, building societies and multicultural banks</li> <li>- Repayment structures</li> <li>- Examples of when these would be used</li> <li>- Personal loan</li> <li>- Overdraft</li> <li>- Credit card (inc. interest-free credit)</li> <li>- Store Cards</li> <li>- Payday loans</li> <li>- Loan sharks</li> </ul> </li> </ul>   |
| <b>LO6:</b> | <b>Identify how to protect ourselves financially</b>  |
| AC6.1       | <ul style="list-style-type: none"> <li>• Identify the purpose and types of insurance <ul style="list-style-type: none"> <li>- What insurance is <ul style="list-style-type: none"> <li>- How insurers make money</li> <li>- Providers of insurance</li> <li>- Compulsory insurance</li> <li>- Car insurance (third party)</li> <li>- Voluntary insurance</li> </ul> </li> <li>- Comprehensive car insurance</li> <li>- Travel insurance</li> <li>- House insurance</li> <li>- Buildings insurance</li> <li>- Home contents insurance</li> <li>- Pet insurance</li> <li>- Health insurance</li> <li>- Life assurance</li> <li>- Term assurance</li> <li>- Insurance premium tax (IPT)</li> <li>- Theft</li> <li>- Accidental damage</li> <li>- Important principles</li> <li>- Material facts</li> <li>- 'In good faith'</li> <li>- Indemnity</li> </ul> </li> </ul> |

|             |  |
|-------------|--|
|             |  |
| AC 6.2      | <ul style="list-style-type: none"> <li>• Identify how inheritance works <ul style="list-style-type: none"> <li>- Inheritance and its implications</li> <li>- Inheriting money and possessions</li> <li>- Features of a will</li> <li>- Making wills</li> <li>- Intestacy</li> <li>- Inheritance tax (IHT)</li> </ul> </li> </ul>   |
| <b>LO7:</b> | <b>Define what is meant by responsible gambling</b>  |
| AC 7.1      | <ul style="list-style-type: none"> <li>• Define the risk and reward in gambling.</li> <li>• Risk and reward in gambling</li> <li>• Definition of safe and responsible gambling</li> <li>• When we can take a risk (affordability)</li> <li>• The UK National Lottery</li> <li>• Probability that you will win a prize on the Lottery</li> <li>• Safe / responsible gambling – the risks</li> </ul>   |
| <b>LO8:</b> | <b>Identify the current threats to our own money</b>   |
| AC 8.1      | <ul style="list-style-type: none"> <li>• Identify ways of keeping money safe <ul style="list-style-type: none"> <li>- How we keep our money safe</li> <li>- Definition of fraud <ul style="list-style-type: none"> <li>- Identity fraud (or theft)</li> </ul> </li> <li>- How we avoid fraud <ul style="list-style-type: none"> <li>- Account security</li> <li>- Phishing (texts and emails)</li> <li>- Keep your details secret</li> <li>- Report suspicions straight away</li> <li>- Card cloning and skimming</li> <li>- How we buy safely online</li> </ul> </li> </ul> </li> </ul> |

## Appendix 4 – Unit 2 – Money Management for your Generation

### Unit narrative

In this unit you will develop an understanding of modern banking and the tools you can use to manage your money. You will learn where income can come from and how to understand the documentation, for example, payslips, relating to this income. You will learn about how investments work and also develop your understanding of different types of payment card, the cost of borrowing and where to go for advice. The unit will help you calculate the true cost of spending and foreign exchange and will also assist your development in making informed choices about your spending decisions and the impact they can have.

### Unit profile

|                              |  |
|------------------------------|--|
| Unit title                   | Unit 2: Money Management for Your Generation (MMG) |
| Ofqual unit reference number | M/615/8346   |
| Unit level                   | 1 / 2  |
| Unit credit value            | 8  |
| Typical study hours          | 80   |

### Unit 2 assessment methodology

- a. The assessment of Unit 2 comprises 15 standalone multiple-choice questions, and 4 case studies where there are 5 questions linked to that case study and subject content. The examination is to be completed in 45 minutes.
- b. The examination will be worth a total of 35 marks.

## Unit 2 learning outcomes / assessment criteria

| Learning outcome (LO)  | Assessment criteria (AC)  |
|--|---|
| 1. Interpret the channels used to manage money.  | 1.1 Interpret the various channels that can be used to manage money.  |
| 2. Identify the sources of pay and pay calculations.   | 2.1 Identify sources and features of pay and make income tax calculations.  |
| 3. Assess the key methods of making payments.  | 3.1 Identify the types and features of various cards used for payment.<br>3.2 Identify methods of payment not made by card.         |
| 4. Examine the cost of Borrowing.  | 4.1 Identify different types of borrowing products.<br>4.2 Examine the cost and legal issues relating to borrowing.                 |
| 5. Identify how to use money abroad.   | 5.1 Identify how to exchange money.<br>5.2 Identify the various methods of using money abroad.                                      |
| 6. Assess the process to make informed decisions about personal finance and understand the consequences. | 6.1 Identify the reasons for budgeting.<br>6.2 Assess financial difficulties and their consequences on a personal financial budget. |
| 7. Identify where to go for different types of financial advice.   | 7.1 Identify where to go for different types of financial advice and sources of financial protection.                               |
| 8. Identify how investments are different from savings.  | 8.1 Identify how and why people invest money.<br>8.2 Identify choices of investment.  |
|  |   |



## Unit 2 syllabus

| <b>UNIT 2 SYLLABUS</b> |   |
|------------------------|---|
| <b>LOs / ACs</b>       |   |
| <b>LO1:</b>            | <b>Interpret the channels used to manage money</b>  |
| AC1.1                  | <ul style="list-style-type: none"> <li>● Interpret the various channels that can be used to manage money</li> <li>● Channels that help you to manage your money</li> <li>● Branch and face-to-face banking</li> <li>● Advantages and disadvantages of branch and face-to-face banking</li> <li>● Paper statements               <ul style="list-style-type: none"> <li>- Advantages and disadvantages of paper statements</li> </ul> </li> <li>● Internet banking               <ul style="list-style-type: none"> <li>- Setting up internet banking</li> <li>- Using internet banking</li> <li>- Electronic statements</li> <li>- Internet-only banks</li> <li>- Advantages and disadvantages of internet banking</li> </ul> </li> <li>● Telephone banking               <ul style="list-style-type: none"> <li>- Setting up telephone banking</li> <li>- Using telephone banking</li> <li>- Advantages and disadvantages of telephone banking</li> </ul> </li> <li>● Mobile banking – phone banking apps               <ul style="list-style-type: none"> <li>- Statements to mobiles</li> </ul> </li> <li>● Security features of automated payments               <ul style="list-style-type: none"> <li>- PIN</li> <li>- Passwords</li> </ul> </li> </ul> |
| <b>LO2:</b>            | <b>Identify the sources of pay and pay calculations</b>   |
| AC2.1                  | <p>Identify sources and features of pay and income tax calculations</p> <ul style="list-style-type: none"> <li>● What are ‘earnings’?</li> <li>● Gross pay and net pay</li> <li>● Pay as you earn (PAYE)</li> <li>● Payslips               <ul style="list-style-type: none"> <li>- Demi’s payslip</li> </ul> </li> <li>● National Insurance (NI)               <ul style="list-style-type: none"> <li>- Your NI number</li> <li>- Calculating NI</li> </ul> </li> <li>● Income tax and tax codes               <ul style="list-style-type: none"> <li>- Tax rate and tax band</li> <li>- Tax code</li> </ul> </li> <li>● Overtime</li> <li>● Sick pay</li> <li>● Maternity pay</li> <li>● Student loans</li> <li>● National minimum wage and living wage</li> <li>● Apprenticeship minimum wage</li> <li>● Tax and NI paid to date</li> <li>● P45 and P60</li> <li>● Self-employed people</li> </ul>   |

|             |   |
|-------------|---|
|             | <ul style="list-style-type: none"> <li>- Income tax and NI</li> <li>- Tax return (self-assessment)</li> <li>• Basic wage calculations</li> </ul>  |
| <b>LO3:</b> | <b>Assess the key methods of making payments</b>  |
| AC3.1       | <p>Identify the different types and features of various cards used for payment</p> <ul style="list-style-type: none"> <li>• Debit cards <ul style="list-style-type: none"> <li>- Using debit cards for mail order, telephone and internet payments</li> <li>- Getting cashback using a debit card</li> <li>- Limits and charges on debit cards</li> <li>- Contactless cards</li> <li>- Advantages and disadvantages of debit cards</li> </ul> </li> <li>• Credit cards <ul style="list-style-type: none"> <li>- Using credit cards in ATMs</li> <li>- Using credit cards in shops</li> <li>- Using a credit card at a distance</li> <li>- Limits and charges on a credit card</li> <li>- Repayment</li> <li>- Interest-free credit period</li> <li>- Introductory offers</li> <li>- Advantages and disadvantages of credit cards</li> </ul> </li> <li>• Store cards <ul style="list-style-type: none"> <li>- Limits and charges on store cards</li> <li>- Advantages and disadvantages of store cards</li> </ul> </li> <li>• Charge cards <ul style="list-style-type: none"> <li>- Limits and charges on charge cards</li> <li>- Advantages and disadvantages of charge cards</li> </ul> </li> <li>• Prepaid cards</li> <li>• Cash cards <ul style="list-style-type: none"> <li>- Limits and charges on cash cards</li> <li>- Advantages and disadvantages of cash cards</li> </ul> </li> </ul> |
| AC3.2       | <p>Identify methods of payment not made by card:</p> <ul style="list-style-type: none"> <li>• Apple Pay</li> <li>• Fintech methods of making payments</li> <li>• Automated tools used to transfer money electronically</li> <li>• Automated teller machines (ATMs)</li> <li>• Faster Payments</li> <li>• Cheques <ul style="list-style-type: none"> <li>- The clearing cycle</li> </ul> </li> <li>• Direct debits</li> <li>• Standing orders</li> <li>• Bank charges</li> <li>• CHAPS</li> <li>• Bacs</li> <li>• PayPal</li> </ul>  |
| <b>LO4:</b> | <b>Examine the cost of borrowing</b>  |
| AC4.1       | <p>Identify different types of borrowing products</p> <ul style="list-style-type: none"> <li>• Borrowing</li> <li>• Ability to pay for a financial product</li> <li>• Interest</li> </ul>   |

|             |  |
|-------------|--|
|             | <ul style="list-style-type: none"> <li>• Methods and benefits of obtaining credit <ul style="list-style-type: none"> <li>- Overdrafts (short term)</li> <li>- Credit cards and store cards (short term)</li> <li>- Personal loans and hire purchase (medium term)</li> <li>- Mortgages (long term)</li> </ul> </li> </ul>  |
| AC4.2       | <p>Examine the cost and legal issues relating to borrowing</p> <ul style="list-style-type: none"> <li>• Annual percentage rate (APR) and equivalent annual rate (EAR) <ul style="list-style-type: none"> <li>- Fixed APR</li> <li>- Variable APR</li> <li>- EAR</li> </ul> </li> <li>• Fees</li> <li>• Total charge for credit</li> <li>• Interest-free credit</li> <li>• Depreciation of goods <ul style="list-style-type: none"> <li>- How depreciation affects credit decisions</li> <li>- Appreciation</li> </ul> </li> <li>• Comparisons between different borrowing products <ul style="list-style-type: none"> <li>- Comparing the rates</li> </ul> </li> <li>• Legal issues relating to borrowing <ul style="list-style-type: none"> <li>- Secured and unsecured lending</li> <li>- Credit scoring</li> <li>- Credit history</li> <li>- The credit agreement</li> <li>- Joint name borrowing <ul style="list-style-type: none"> <li>- Joint and several liability</li> </ul> </li> <li>- Cooling-off period</li> <li>- Age limits for borrowing</li> <li>- Sharia finance</li> </ul> </li> </ul> |
| <b>LO5:</b> | <b>Identify how to use money abroad</b>  |
| AC5.1       | <p>Identify how to exchange money</p> <ul style="list-style-type: none"> <li>• What is a currency? <ul style="list-style-type: none"> <li>- The euro</li> <li>- The US dollar</li> <li>- The pound sterling</li> </ul> </li> <li>• Exchanging currencies <ul style="list-style-type: none"> <li>- Exchange rate</li> <li>- Calculating currency exchanges</li> <li>- How banks and foreign exchange bureaux make money</li> <li>- Commission</li> </ul> </li> </ul>  |
| AC5.2       | <p>Identify the various methods of using money abroad</p> <ul style="list-style-type: none"> <li>• Using money in different countries <ul style="list-style-type: none"> <li>- Buying cash</li> <li>- Buying travellers' cheques</li> </ul> </li> <li>• Using a plastic card abroad [includes ATMs] <ul style="list-style-type: none"> <li>- Debit card</li> <li>- Credit card</li> <li>- Prepaid cash card</li> </ul> </li> <li>• Where to exchange money abroad <ul style="list-style-type: none"> <li>- Bureau de change</li> </ul> </li> </ul>   |

|             |  |
|-------------|--|
|             | <ul style="list-style-type: none"> <li>• Changes in variable exchange rates <ul style="list-style-type: none"> <li>- Exchange rate risk</li> </ul> </li> <li>• Mobile tariffs abroad <ul style="list-style-type: none"> <li>- Roaming charges</li> </ul> </li> </ul>   |
| <b>LO6:</b> | <b>Assess the process to make informed decisions about personal finance and understand the consequences</b>  |
| AC6.1       | <p>Identify the reasons for budgeting</p> <ul style="list-style-type: none"> <li>• Why people choose to make a budget <ul style="list-style-type: none"> <li>- essential bills, organisation and to reduce worry</li> </ul> </li> <li>• What could happen if people don't budget <ul style="list-style-type: none"> <li>- attitudes to risk and attitudes to financial planning</li> </ul> </li> <li>• What happens if budgets are not followed <ul style="list-style-type: none"> <li>- goals,</li> <li>- unplanned debt,</li> <li>- essential bills</li> </ul> </li> </ul>   |
| AC6.2       | <p>Assess financial difficulties and their consequences on a personal financial budget</p> <ul style="list-style-type: none"> <li>• Financial difficulties <ul style="list-style-type: none"> <li>- Expected vs unexpected events</li> </ul> </li> <li>• Overspending <ul style="list-style-type: none"> <li>- Overspending causing financial problems</li> <li>- Solutions to overspending</li> </ul> </li> <li>• Failure to pay</li> <li>• Defining 'financial difficulties' <ul style="list-style-type: none"> <li>- Causes of financial difficulties [includes zero-hours contracts, job security, income protection]</li> <li>- Action that a person can take if they are in financial difficulties</li> </ul> </li> <li>• Legal options for an individual <ul style="list-style-type: none"> <li>- Individual voluntary arrangement (IVA)</li> <li>- Bankruptcy</li> <li>- Debt relief order</li> </ul> </li> <li>• Legal options for a lender or creditor <ul style="list-style-type: none"> <li>- County court judgment (CCJ)</li> <li>- Repossession</li> </ul> </li> <li>• Introduction to legal options in other countries</li> </ul> |
| <b>LO7:</b> | <b>Identify where to go for different types of financial advice</b>  |
| AC7.1       | <p>Identify where to go for different types of financial advice and sources of financial protection</p> <ul style="list-style-type: none"> <li>• Where can we get financial advice?</li> <li>• Friends and family <ul style="list-style-type: none"> <li>- Limitations</li> </ul> </li> <li>• Financial advisers <ul style="list-style-type: none"> <li>- Types of adviser</li> <li>- How financial advisers are paid</li> </ul> </li> <li>• Financial organisations</li> </ul>  |

|             |   |
|-------------|---|
|             | <ul style="list-style-type: none"> <li>- Banks and building societies</li> <li>- Insurance companies</li> <li>• Citizens Advice</li> <li>• The Money Charity</li> <li>• Step Change Debt Charity <ul style="list-style-type: none"> <li>- Limitations</li> </ul> </li> <li>• Other sources of financial advice</li> <li>• Financial protection</li> <li>• Financial Conduct Authority (FCA) <ul style="list-style-type: none"> <li>- Protecting consumers</li> <li>- Achieving the FCA's objectives</li> </ul> </li> <li>• Protection in cases of poor financial advice and fraud <ul style="list-style-type: none"> <li>- The Financial Ombudsman Service (FOS)</li> <li>- The Financial Services Compensation Scheme (FSCS)</li> </ul> </li> <li>• Responsibilities of consumers</li> </ul> |
| <b>LO8:</b> | <b>Identify how investments are different from savings</b>  |
| AC 8.1      | Identify how and why people invest money <ul style="list-style-type: none"> <li>• Difference between savings and investments</li> <li>• Why people choose to invest</li> <li>• Premium Bonds</li> <li>• Property</li> <li>• Stocks and Shares ISA</li> </ul>  |
| AC 8.2      | Identify choices of investment <ul style="list-style-type: none"> <li>• Green investment</li> <li>• Ethical investment</li> <li>• Cryptocurrency</li> <li>• Shares in one company vs Pooled investments</li> <li>• Low and high-risk investments</li> </ul>   |

## Appendix 5 – Unit 3 – Financial Careers and Financial Sustainability

### Unit narrative

In this unit you will gain an insight into, and appreciation of, different career paths within the financial services sector. You will explore how to research and create career opportunities, understand the various routes into financial services and other industries and the key elements of making oneself employable. You will develop an understanding of how to maintain your financial wellbeing and how to be financially sustainable as you move through the personal life cycle. You will gain an understanding of how external financial factors could influence your financial future.

### Unit profile

|                              |   |
|------------------------------|---|
| Unit title                   | Unit 3: Financial Careers and Financial Sustainability (FCFS) |
| Ofqual unit reference number | A/615/8348  |
| Unit level                   | 1 / 2   |
| Unit credit value            | 8   |
| Typical study hours          | 80  |

### Unit 3 assessment methodology

- a. The assessment of Unit 3 comprises of 15 standalone multiple-choice questions, and 4 case studies where there are 5 questions linked to that case study. The examination is to be completed in 45 minutes.
- b. The examination will be worth a total of 35 marks.

### Unit 3 learning outcomes / assessment criteria

| <b>Learning outcome (LO)</b><br><b>The learner when awarded credit for this unit will:</b>                       | <b>Assessment criteria (AC)</b><br><b>Assessment of the LOs will require a learner to demonstrate that they can:</b>   |
|--|--|
| 1. Identify ways of considering and preparing for careers.   | 1.1 Identify ways of enhancing your employability for a career.  |
| 2. Understand the roles, careers, and sectors in the financial services industry.                                | 2.1 Understand the various sectors within financial services.<br>2.2 Identify the various roles and career paths in the financial services industry.<br>2.3 Identify the various routes into financial careers.  |
| 3. Identify good practice in financial wellbeing.  | 3.1 Identify how to open a basic or current account with a financial services provider.<br>3.2 Identify the modern tools available to manage money.<br>3.3 Identify how to plan for a financial goal.  |
| 4. Examine how good financial planning throughout the personal life cycle affects your financial sustainability. | 4.1 Identify the change to a person's needs and wants during the personal life cycle.<br>4.2 Examine the importance of pension planning.<br>4.3 Identify what contributes to your credit score, the importance of a good credit history and how it is used by providers.<br>4.4 Identify examples of risk and reward within your budget. |
| 5. Interpret how external factors can affect your financial sustainability.                                      | 5.1 Identify how interest rates and inflation can impact on your budget.<br>5.2 Define savings interest and the 'real' rate of return.   |

## Unit 3 syllabus

| <b>UNIT 3 SYLLABUS</b> |  |
|------------------------|--|
| <b>LOs / ACs</b>       |  |
| <b>LO1:</b>            | <b>Identify ways of considering and preparing for careers.</b>   |
| AC1.1                  | <ul style="list-style-type: none"> <li>• Employability: applying for a job               <ul style="list-style-type: none"> <li>- Introduction</li> <li>- The typical recruitment process</li> <li>- Research</li> <li>- Opportunities: where to look</li> <li>- Responding to job adverts</li> <li>- Choosing a job that matches your skills and interests</li> <li>- What the competencies are that employers look for</li> <li>- Finding out more about employers</li> <li>- Application</li> <li>- Developing a CV</li> <li>- Including all relevant details (volunteering, etc.)</li> <li>- References</li> <li>- Application forms, personal statements and cover letters</li> <li>- Online assessment</li> <li>- Interviews</li> <li>- Preparation</li> <li>- The STAR approach</li> <li>- Self-evaluation</li> <li>- Assessment centres</li> <li>- Pre-employment checks</li> <li>- Offer</li> </ul> </li> </ul> |
| <b>LO2:</b>            | <b>Understand the roles, careers, and sectors in the financial services industry.</b>  |
| AC2.1                  | <p>Understand the various sectors within financial services</p> <ul style="list-style-type: none"> <li>• Overview of the sector               <ul style="list-style-type: none"> <li>- Scale and impact on the economy</li> </ul> </li> <li>• Factors to consider when choosing a career</li> <li>• Researching different industries               <ul style="list-style-type: none"> <li>- Retail banking</li> <li>- Business banking</li> <li>- Funds and investments, and other financial advice</li> <li>- Insurance</li> <li>- Accounting</li> <li>- Financial sectors within other industries</li> </ul> </li> <li>• Fintech careers</li> </ul>  |



|             |   |
|-------------|---|
| AC 2.2      | <p>Identify the various roles and career paths in the financial services industry</p> <ul style="list-style-type: none"> <li>• Many different roles needed</li> <li>• Small, medium and large organisations</li> <li>• Inter-related products and services</li> <li>• Career guidance at work</li> <li>• Professional associations and qualifications</li> <li>• The London Institute of Banking &amp; Finance</li> <li>• Roles and career progression</li> <li>• Retail and business banking</li> <li>• Funds and investments</li> </ul> |
| AC2.3       | <p>Identify the various routes into financial careers</p> <ul style="list-style-type: none"> <li>• Apprenticeships</li> <li>• How to apply for a role</li> <li>• School leaver programmes</li> <li>• University and graduate programmes</li> <li>• Internships</li> <li>• Work experience</li> <li>• Volunteering</li> <li>• Work shadowing</li> <li>• Tips for internships or work experience</li> <li>• Developing competencies</li> <li>• Assessing competencies</li> <li>• SMART goals</li> <li>• Career plan</li> </ul>              |
| <b>LO3:</b> | <b>Identify good practice in financial wellbeing</b>  |
| AC3.1       | <p>Identify how to open a basic or current account with a financial services provider</p> <ul style="list-style-type: none"> <li>• Requirements to open a bank account</li> <li>• Steps to open a bank account</li> <li>• What people do who don't have a bank account</li> <li>• Finding the correct account for individual needs</li> <li>• Choosing a financial services provider</li> </ul>   |
| AC 3.2      | <p>Identify the modern tools available to manage money.</p> <ul style="list-style-type: none"> <li>• Mobile banking applications(apps) and their use</li> <li>• Other financial apps, including savings and budgeting apps</li> <li>• Tools that analyse spending</li> <li>• Text alerts</li> <li>• Free website resources, including Money Advice Service</li> <li>• Price Comparison sites</li> </ul>   |
| AC 3.3      | <p>Identify how to plan for a financial goal</p> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Disposable income</li> <li>• Financing options between saving and borrowing</li> <li>• Consideration of all costs</li> </ul>  |

|             |  |
|-------------|--|
|             | <ul style="list-style-type: none"> <li>Identifying between a need and a want</li> </ul>  |
| <b>LO4:</b> | <b>Examine how good financial planning throughout the personal life cycle affects your financial sustainability</b>  |
| AC 4.1      | <p>Identify the change to a person's needs and wants during the personal life cycle</p> <ul style="list-style-type: none"> <li>Identify the stages of a personal life cycle</li> <li>Review the financial needs, wants and aspirations (aspirations being what a person wants to achieve in the next stage of their life cycle)</li> </ul>   |
| AC 4.2      | <p>Examine the importance of pension planning.</p> <ul style="list-style-type: none"> <li>Identify why a pension is important</li> <li>Define state, occupational and private pension schemes</li> <li>Needs and wants in retirement, refer to personal life cycle</li> <li>Building a 'pot of money'</li> </ul>   |
| AC 4.3      | <p>Identify what contributes to your credit score, the importance of a good credit history and how it is used by providers.</p> <ul style="list-style-type: none"> <li>Identify what credit scores are</li> <li>How credit scores are improved</li> <li>The factors that can contribute to a lower score</li> <li>Why credit scores are important in a person's future</li> <li>How credit scores are used by providers</li> </ul> |
| AC 4.4      | <p>Identify examples of risk and reward within your budget.</p> <ul style="list-style-type: none"> <li>Define the relationship between risk and reward</li> <li>Types of financial risk including</li> <li>No appropriate insurance or no insurance at all, including examples of Life, motor, illness, pet and travel insurance</li> <li>Not budgeting</li> <li>Unwise Investment choices</li> </ul>                              |
| <b>LO5:</b> | <b>Interpret how external factors can affect a person's financial sustainability.</b>  |
| AC 5.1      | <p>Identify how interest rates and inflation can impact on a person's budget.</p> <ul style="list-style-type: none"> <li>Definition of inflation and how it is calculated</li> <li>Impact of inflation on a person's budget</li> <li>How inflation is controlled</li> <li>Impact of interest rate changes on a person's budget</li> <li>Impact of interest rate changes on financial services providers</li> </ul>                 |
| AC 5.2      | <p>Define savings interest and the 'real' rate of return</p> <ul style="list-style-type: none"> <li>Savings interest with basic calculations of annual savings gains</li> <li>Define inflation</li> <li>Basic calculation of annual inflationary gain</li> <li>Use the above to define a real rate of return</li> <li>Savings are low risk, but at risk of losing money in real terms</li> </ul>                                   |