

Level 1/2 Technical Certificate in Finance

Unit 1 Finance for the Individual

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Sample Assessment Material

Overview of Unit 1 Assessment

Unit 1 is named 'Finance for the Individual', it covers understanding the financial services and products that are accessed by individuals.

Unit 1 is assessed by Non-Examination Assessment, where learners complete an assessment within a specified window. This is a formal assessment that you will be marked and graded on. You will be presented with a detailed real-life financial scenario. Using your knowledge and understanding gained from the learning content in Unit 1, you will have to produce a detailed report to complete this assessment.

Learners will have access to the scenario 8 weeks before the date of submission. From this information learners will be asked to produce a report and to explain and detail their understanding through a response to three set tasks. Learners are allowed 10 hours to complete the final report and it is worth 25% of the available marks for this qualification.

There is further guidance for learners throughout this document including a detailed marking scheme, guidance on submitting the final report and how research can be used and acknowledged to support the final submission. The assessment is designed to assess how unit 1 knowledge can be applied to the practical situations shown in the assessment material.

This assessment is externally marked by LIBF and learners will have to submit their assessment by a published date using the MyLIBF portal. Details on how to do this will be published alongside the release of the scenario each academic year.

Further detailed guidance for teachers and learners is included in these specimen assessment materials. In addition, after each submission window there will be a Chief Examiner's report in line with other LIBF qualifications. Further support and training for teachers will be provided during the academic year, prior to assessment windows, and dates will be communicated to centres and available on our website.

The Learning Objectives that are covered in this unit are shown below

- Describe how budgeting can help an individual achieve their financial goals.
- Understand the fundamentals of banking.
- Compare the different types of lending providers and their borrowing products.
- Compare the different types of savings providers and their savings products.
- Investigate the different types of investment providers and their investment products.
- Explain why we have insurance and explain the insurance types and providers available.
- Investigate the similarities and differences between the different stages of the personal life cycle.
- Explain taxation, NI and HMRC documentation for the individual and explain how these have developed digitally.

Unit 1 – Finance for the Individual

Sample Assessment Material

(This material is available 8 weeks before the date of submission.)

Instructions to learners:

- This material has been designed to provide background information / research material for this Non-Examination Assessment.
- It is intended to help learners familiarise themselves with the enclosed material prior to the Non-Examination Assessment.

Instructions to learners when you first view these materials:

- You may annotate this assessment material.
- You are encouraged to fully familiarise yourself with all the language used in this assessment material.
- Your teacher can help you with understanding of any language you are unsure of.
- The figures and products featured in the assessment material was correct at the time of writing. You are not expected to know about detailed knowledge of changes to products and services used in this assessment material.
- Your examination will test how you apply your Unit 1 knowledge to the practical situations shown in this assessment material.

Non-Examination Assessment Material

Millie and Tom

Millie and Tom are both 27 years old and are getting married later this year. Their wedding is paid for in full, but they would like to go on honeymoon. The couple live in their flat in Manchester city centre. They have a government-assisted mortgage for first-time buyers. Millie and Tom both own cars. They have no outstanding finance on their cars but they pay insurance and running costs.

They both have jobs: Millie as a lawyer earning £60,000 per year, and Tom as a phone engineer earning £35,000 per year. Tom is always offered overtime but rarely takes it up. Millie works in the city and expects her salary to rise soon. Tom travels with his work.

When it comes to budgeting, Millie and Tom both pay an equal amount into a joint account, so their mortgage, council tax and other bills are paid each month without concern. They also transfer money to another joint account for food and socialising. They decide whether to spend or save the rest of their money.

Their joint accounts, personal accounts, credit cards and savings accounts are all with the same bank. Millie is keen to save for a house deposit and get out of the city. She has £15,000 in her savings account. Tom is keener to spend, but he has managed to save £2,000, which he has transferred to a stocks and shares ISA.

Having done lots of internet research, the couple have decided to purchase a new property that will give them more space for a family in the future. The value of their flat has increased from £180,000 to £196,000 in the four years they have lived there. They have seen a house just outside Manchester that they really like, in a nice residential area, priced at £360,000.

Millie has had a credit card for five years and she pays off the full amount most months. Tom has just paid off his loan so has contributed little to the couple's savings recently. The couple have a good lifestyle and want to maintain it.

With the knowledge that you have gained, Millie and Tom have asked you to provide a comprehensive overview of their current financial position. They wish to move to a new house that is larger and more expensive than their existing home.

Unit 1 – Finance for the Individual

Specimen paper A

Date: Sample assessment task

Session Code:

Length of Non-exam Assessment: 10 hours

This assessment material will be released eight weeks before the submission deadline.

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| Instructions for learners |
|----------------------------------|

- This is a formal assessment that will be graded.
- You have been presented with a detailed real-life financial scenario.
- Using your knowledge and understanding gained from the learning content in Unit 1, you are required to produce a detailed report to complete this assessment.
- You will be marked on the quality and accuracy of your report and any research that you produce to support your final report.
- You should demonstrate how well you know and understand the subject and how you are able to use your knowledge and skills together to complete the tasks.

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| Key Information |
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- This assessment component has a 25% contribution to your final mark.
- Please refer to the Grade Descriptors within the Technical Certificate specification for grading at Level 1 and Level 2.
- **Deadline:** You must submit your non-exam assessment on or before Midday on the submission date. Late submissions will not be marked. Any submissions before the required date will not be marked until after that date regardless of when they are received. It is the responsibility of the centre to make sure that your non-exam assessment has been submitted successfully.
- **Submission:** Centres must submit all assessments via the LIBF secure VLE.
- **Format:** Your submission should be in Microsoft Word format and the Word file must be labelled as your LIBF number in the header of the document, e.g. A12345.

Required:

Produce one report that contains the three sections below. Points to consider have been provided as a guide; please note, other relevant points can be included as part of your report.

| Structure | Marks |
|--|-------|
| <p>Section 1: Describe Millie and Tom’s current situation and changes that can be made to help them reach their goal.</p> <p>Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • How Millie and Tom might approach their budgeting in a different way. • Whether Millie and Tom are maximising their savings potential. | 14 |
| <p>Section 2: Explain if Millie and Tom can achieve their goal of purchasing a larger house in their current situation.</p> <p>Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • The costs that Millie and Tom might incur when moving to a new house. • The feasibility of being able to move to a new house in their current situation. • Other factors that need to be taken into consideration to help them achieve their goal. | 14 |
| <p>Section 3 Describe the factors that may determine whether financial sustainability could be achieved by Millie and Tom over the next five years if they proceed with the purchase of the house.</p> <p>Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • The internal factors that may affect Millie and Tom. • The economic external factors that may affect Millie and Tom. | 14 |
| Specific marks awarded for: | |
| Providing relevant research and evidence to support your findings. | 5 |
| Accuracy of Spelling, Punctuation and Grammar. | 3 |

Note: Please note, you are not expected to take on the role of a qualified mortgage adviser or financial adviser.

Maximum words = Only up to the first 2,000 words will be assessed.

You need to include:

- One report that combines all the tasks set.
- Research evidence to support the findings in your report. The sources you have used should be stated at the end of your report and provide enough information to enable the examiner to review your evidence (for example, Source: www.bbc.co.uk)

You must include a summary log of activity to show how you have used the maximum 10 hours allocated for this assessment. Please see the example in Appendix A, Page 19

Command word definitions

Explain

Explain a topic by giving a detailed account. Justify with relevant evidence. Provide a summary of your findings

Describe

Provide a detailed explanation of the main features of your findings. Describe how and why something happens or could happen. Provide a conclusion of your findings.

Teacher support materials – materials provided to teachers separately include:

Learner section

- General guidance
- Plagiarism
- Timing and planning
- Presentation of work

Teacher guidance

- Time
- Conduct of assessment
- Resources
- Preparation
- Mark scheme word definitions
- Guidance on marking
- Key points to consider on marking
- Assessment criteria mapping
- Guidance on assessment conditions
- Authentication of learners' work
- Accessibility and fairness
- Guidance on teacher assistance of a learner during the task
- Centre submission

Learner section

General guidance

This is a formal assessment that you will be marked and graded on. You will be presented with a detailed real-life financial scenario. Using your knowledge and understanding gained from the learning content in Unit 1, you will have to produce a detailed report to complete this assessment. You will be marked on the quality and accuracy of your report and any research that you produce to support your final submission. It is therefore important that you carry your work out to the highest standard you can. You should demonstrate how well you know and understand the subject and how you are able to use your knowledge and skills together to complete the tasks. You should write your report in full sentence to address the requirements of each section.

Plagiarism

Plagiarism is the failure to acknowledge sources properly and/or the submission of another person's work as if it were the learner's own. Plagiarism is not allowed in this assessment.

This is an assessment of your abilities, so the work must be your own work and carried out under the conditions stated. You will be asked to sign a declaration that you have not had any outside help with the assessment.

Your teacher can give you some help understanding the assessment instructions, if necessary, but they will record any other guidance you need (and notify LIBF), and this will be taken into account during marking.

Where research is allowed, your teacher must be able to identify the work you have done yourself, and what you have found from other sources. It is therefore important to make sure that you acknowledge all sources and clearly reference any information taken from them. You may use the internet to support your research, however you must clearly acknowledge where the information came from and list this in the reference section at the end of your report. Similarly, you may use articles from newspapers or books in your research but if you use any of this information you should include information about this in the reference section. Any internet research that is used and / or referred to in the final submission must be carried out during supervised time (i.e. 10 hours of completion time for task) and must be referred to in the reference section.

Timings and planning

You should take care when planning to make sure you have divided the time available between tasks appropriately (See Appendix A).

Presentation of work

Presentation of work must be word processed, well-structured and appropriate to the task. You should make sure that each piece of work is clearly labelled with your name, LIBF number and the assessment reference. You will be assessed for Spelling, Punctuation and Grammar so accuracy is also important.

Teacher guidance

Time

The maximum time allocated for the completion of the tasks and production of evidence for this assessment is 10 hours. Learners should ensure that they provide a summary log of activity completed towards their final report. This should include date, time spent, and a brief detail of tasks completed. Research time does not need to be logged. Please ensure learners are aware of the need to log any research and / or research materials included **within the report** within the reference section.

Conduct of assessment

Any internet research that is used and / or referred to in the final submission must be carried out during supervised time (i.e. 10 hours of completion time for task) and must be referred to in the reference section. An example of this would be researching different types of financial products and then referring to this in the final assessment.

Resources

Learners must have access to a suitable range of resources to carry out the task and to have the opportunity to choose the appropriate software to complete tasks. Learners should have access to the following:

- Internet (although newspapers, journals or other sources from a school or public library can also be used)
- Word-processing software
- Spreadsheet software (this is optional if the learner requires this)

Preparation

Learners should refer to the Guidance on Marking section on the next page and be aware of how to achieve the highest marks in the task.

Learners are encouraged to familiarise themselves with the assessment material.

Teachers should ensure that learners understand any technical or specialised language used in the assessment material.

Mark scheme word definitions

Basic: at a low level or a starting point only. A basic level answer may show knowledge of a question but will not continue to show application or explanation.

Limited: at a low level, with restricted and narrow explanation of knowledge. There may be some application or explanation but not enough to demonstrate a good understanding.

Good: a good response shows knowledge and application. There will be an ability to comprehend the points being made.

Detailed: a detailed response shows knowledge, application and clarification of relevant points, allowing the reader to gain a full understanding of the points being made.

Guidance on marking

| Section | Level 1 | Level 2 | Level 3 |
|--|---|--|--|
| Specific questions | | | |
| Describe Millie and Tom's current situation and changes that can be made to help them reach their goal. | <p>1–6 marks A limited attempt to describe their current situation only, using only the information provided.</p> | <p>7–10 marks A good attempt to describe their current situation, with a good description of Millie and Tom's current standard of life and if they are maximising their financial situation.</p> | <p>11–14 marks A detailed attempt to describe their current situation, including how Millie and Tom could maximise their current financial situation, with evidence to back up the learner's answers.</p> |
| | <p>The support points are covered, but in a limited way.</p> <p>Lower marks, in this range, are awarded for just basic answers to the support questions and no justified conclusions are made.</p> | <p>The support points are covered well and are incorporated as part of the overall description.</p> <p>There may be a conclusion, or conclusions, but these have narrow justifications</p> | <p>The support points are covered well within the description and answers are expanded to a detailed level.</p> <p>One or more conclusions are seen and are justified with relevant evidence.</p> |
| Explain if Millie and Tom can achieve their goal of purchasing a larger house in their current situation... | <p>1–6 marks A limited attempt to explain, but these suggestions may be without suitable evidence or appropriate calculations.</p> | <p>7–10 marks A good attempt to explain, with realistic suggestions, correct calculations and evidence of how they can achieve their goal.</p> | <p>11–14 marks A detailed attempt to explain how they will achieve their goal, with realistic suggestions, precise calculations and appropriate evidence. The explanation <u>will be balanced</u> and provide clear solutions, with an appreciation of significance and the limitations.</p> |

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| | <p>The support points are covered, but in a limited way.</p> <p>Lower marks, in this range, are awarded for just basic answers of the support questions.</p> <p>Calculations will be at a basic level and may not be incorporated into the explanation overall.</p> | <p>The support points are covered well and are answered to a good level.</p> <p>There may be a summary of their findings, but this may not be well supported.</p> <p>Calculations at a good level may include calculation of a net monthly income for Millie and Tom (from their gross salaries), costs of purchasing a house from a single mortgage example, a single saving account and how they could budget better. Calculations will support the explanation of the question.</p> | <p>The support points are covered well and are incorporated as part of the overall explanation.</p> <p>A realistic and well supported summary is needed for this mark band. There will be an appreciation of how their lifestyle would be affected.</p> <p>Calculations at a detailed level may include calculation of a net monthly income for Millie and Tom (from their gross salaries), including what may happen if their circumstances change. Calculations may also include costs of purchasing a house from a variety of mortgages, a choice of savings accounts and how they could budget better. Calculations will be used to explain why certain options are more favourable than others to their circumstances.</p> |
| <p>Describe the factors that may determine whether financial sustainability could be achieved by Millie and Tom over the next five years if they proceed with the purchase of the house.</p> | <p>1–6 marks A limited attempt to describe and answers may be without evidence or calculations.</p> <p>The support points are covered in a limited way. Lower marks, in this range, are awarded for just basic answers to the support questions.</p> <p>The description will only show limited ways that can affect financial sustainability.</p> | <p>7–10 marks A good attempt to describe, with realistic suggestions, correct calculations and evidence of how they can achieve financial sustainability over the next five years. This should include the influence of internal and external financial factors.</p> <p>The support points are covered well and are answered to a good level.</p> <p>There may be a conclusion, or conclusions, but these have narrow justifications</p> | <p>11–14 marks A detailed attempt to describe, with realistic suggestions, precise calculations and justified evidence. The description <u>will be balanced</u>, with an appreciation of significance with a comprehensive understanding of other internal and external factors may affect their sustainability.</p> <p>The support points are covered well and are incorporated as part of the overall description.</p> <p>One or more conclusions are seen and are justified with relevant evidence.</p> |

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| Provide relevant research/evidence | 1 mark A limited attempt to demonstrate the research that has been completed. | 2–3 marks A good attempt to show the research that has been completed, providing evidence that backs up the learner’s explanation. | 4–5 marks A detailed attempt to demonstrate how the research has influenced the learner’s answer, including an appreciation of significance. |
| Accuracy of Spelling, Punctuation and Grammar | 1 mark Learners spell, punctuate and use the rules of grammar with reasonable accuracy. | 2 marks Learners spell, punctuate and use the rules of grammar with considerable accuracy. | 3 marks Learners spell, punctuate and use the rules of grammar with consistent accuracy. |

Key points to consider for marking

| Section | Key Points (The below points are not exhaustive, other relevant points will receive marks which will be agreed between all markers to ensure a consistent approach in marking) |
|---|---|
| Describe Millie and Tom’s current situation and changes that can be made to help them reach their goal. | <ul style="list-style-type: none"> • Millie and Tom have not planned how they will finance their honeymoon, consideration needs to be given here. • Millie and Tom earn £95,000 combined. Millie is expecting a pay rise so they need to plan what they will do with this. Tom can work overtime and earn more money which needs to be considered. • They both have cars and pay for the insurance and running costs. Consideration to reducing insurance premiums and question whether Millie needs a car at present as they live in the city centre where she works. • They have some budgeting plans including a joint account for bills, food and socialising. If they want to maximise their potential savings, they need to have a stricter budget. • They have everything with the same bank which could be good for moving money between their accounts, but they need to explore the market for better deals on credit cards, insurance, loans etc. • Millie has £15,000 in savings but could this be put into an ISA or an account with a better return? We are uncertain of Millie’s risk profile, but would she consider a stocks and shares ISA like what Tom has? |
| Explain if Millie and Tom can achieve their goal of purchasing a larger house in their current situation. | <ul style="list-style-type: none"> • Millie and Tom have a combined savings of £17,000, plus the £16,000 equity on their current property would provide a deposit of £33,000. • If they are looking at properties worth £360,000 and a 10% deposit is needed, then this will not be enough. • Candidates could explore lower deposit mortgages if they are available. • Candidates also need to consider the costs of moving home and what would apply to them. |

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| | <ul style="list-style-type: none"> • Naturally, the cost of a larger mortgage would need to be factored in. • Candidates may consider other costs associated with moving home. • Better budgeting from Section 1, could lead to Millie and Tom achieving this aspiration. |
| <p>Describe the factors that may determine whether financial sustainability could be achieved by Millie and Tom over the next five years if they proceed with the purchase of the house.</p> | <ul style="list-style-type: none"> • Candidates need to consider what would happen if Millie and Tom start a family; would they lose an income (either in the long or short term)? • They may have increased childcare costs, with less income, would affect their lifestyle and their available income. <p>External factors include:</p> <ul style="list-style-type: none"> • The effect of inflation, especially if their wages are not increasing and their costs may have already risen. • A change in taxation may affect their disposable income. • A change in interest rates may affect their mortgage repayment, especially over five years. |

Assessment Criteria Mapping

| Structure | | | |
|--|-------|--|---|
| Section | Topic | Number reference in the Scheme of Work | Assessment criteria |
| Describe their current situation and changes that can be made to help them reach their goal. | 1 | 1.1 | Define how a budget is constructed and why it is necessary to construct a budget. |
| | 2 | 2.1 2.2 2.3 | Explain the need for bank accounts. Compare the types and features of bank accounts. Distinguish between the various methods of making a payment. |
| | 3 | 3.3 | Interpret the difference and similarities between various types of unsecured borrowing. |
| | 4 | 4.1 4.2 4.4 | Outline the key purposes of savings and the impact of tax. Compare the range of providers within the marketplace. Explain the impact of inflation on savings. |

| | | | |
|---|------------------|--|---|
| Explain if Millie and Tom can achieve their goal of purchasing a larger house in their current situation. | 1 3 4 5 | 1.2 3.1 3.4 4.3 5.1 | Explain how an individual achieves their financial goals. Understand the key concepts of borrowing. Define the key principles of the various types of secured borrowing. Compare the different types of savings accounts available and their uses. Understand the concept of investment and the options available. |
| Describe the factors that may determine whether financial sustainability could be achieved by Millie and Tom over the next five years if they proceed with the purchase of the house. | 3 5 6 7 | 3.2 3.5 5.2 6.1 6.3 7.1 | Identify the range of lenders. Explore the consequences of not managing borrowing effectively. Understand the relationship between risk and reward. Describe the advantages and disadvantages of the purpose of insurance. Explain the various types of insurance and assurance. Outline the nature and stages of the personal life cycle and linked key events. |
| Provide relevant research/evidence | | | |
| Accuracy of Spelling, Punctuation and Grammar | | | |

Guidance on assessment conditions

The assessment conditions that are in place for this task are to:

- ensure the rigour of the assessment process
- provide fairness for learners
- give confidence in the outcome.

Learners can rework any evidence that has been produced for this report during the time allowed. However, this must be as a result of their own review and identification of weaknesses and not as a result of teacher feedback. Once the evidence has been submitted for assessment, no further amendments to the evidence can be made.

Authentication of learners' work

Learners are required to sign declarations of authenticity, as is the teacher. The relevant form is included in this assessment pack.

Learner evidence must be kept secure to prevent unsupervised access by the learner or others. Where evidence is produced over several sessions, the teacher must ensure learners and others cannot access the evidence without supervision. This might include storing written work or artefacts in locked cupboards and collecting memory sticks of evidence produced electronically at the end of each session.

Completion of each Non-Examination Assessment (NEA) unit is required to be carried out by learners under the supervision of the teacher in the classroom environment. The learner should complete their work independently. Through supervision in the classroom, the teacher must be able to authenticate the work and acknowledge this on the Centre Submission form provided in the Sample Assessment Materials (SAMs).

Teachers must make sure that learners understand the implications of plagiarism, and what this is considered as; plagiarised work must not be submitted. Further details on plagiarism can be found on the JCQ website [here](#).

Throughout the completion of each NEA, the teacher should include regular questioning and conversations with the learners. This will provide an insight into the understanding of the work the learner is completing. Questioning can be used to support the process of authentication and highlight how well the learner knows their work and confirm to the teacher that the learner's work is their own.

Accessibility and fairness

Where the learner has special requirements, teachers should refer to the separate guidance document, accessed through www.libf.ac.uk/about-us/policies-regulations-and-code-of-practice.

Guidance on teacher assistance of a learner during the task

- Teachers can provide clarification to any learner on the requirements of any aspect of this assessment.
- Teachers should not provide more guidance than the learner needs as this may impact on the learner's grade.
- Guidance must only support access to the task and must not provide feedback for improvement.
- Teachers must not provide feedback on the quality of the tasks or how the quality of evidence can be improved. This would be classed as malpractice.
- Teachers should, however, provide general reminders to learners throughout the assessment period that they must check their work thoroughly before submitting it to be sure that they are happy with their final evidence, as it may not be worked on further after submission.
- In other words, only the minimum support the learner needs should be given.
- A teacher may not provide guidance that the learner's work is not at the required standard or how to improve their work. In this way, learners are given the chance to identify and correct any errors on their own.
- All learners must be provided with an environment and resources that allows them access to the full range of marks available.

Centre submission – learner and teacher declaration

| | |
|--|----------------------------|
| Learner name | Learner LIBF number |
| Teacher name | Centre number |
| Centre name | |
| Unit submitted, please tick | |
| Unit 1 Finance for the individual | |
| Unit 2 Finance in Business | |
| For each assessment please provide copies of: Complete report, any research evidence and any other supporting evidence. Please include LIBF number and centre number as a footer, also include page number. | |

To be completed by the Teacher

| | | | |
|--|---|-------------|--|
| <i>I can confirm that (please tick box then sign below)</i> | | | |
| <input type="checkbox"/> | <i>I have read the section marked as “Guidance on teacher assistance of a learner during the task” and have adhered to the rules as stated.</i> | | |
| <input type="checkbox"/> | <i>I can confirm that I have read the section marked as “Guidance on assessment conditions” and have adhered to the rules as stated.</i> | | |
| <input type="checkbox"/> | <i>I can confirm that I have read the section marked as “Guidance on tasks” and have adhered to the rules as stated.</i> | | |
| Teacher signature | | Date | |
| Print name | | | |
| Teacher email contact | | | |

To be completed by the learner

| | | | |
|--|--|-------------|--|
| <i>I can confirm that (please tick box then sign below)</i> | | | |
| <input type="checkbox"/> | <i>This submitted report is all my own work.</i> | | |
| <input type="checkbox"/> | <i>I have completed the assessment with supervision from my teacher and have only received feedback in line with the qualification guidelines.</i> | | |
| Learner signature | | Date | |
| Print name | | | |

Appendix A

Example of completion

| Date | Time spent | Activity | Next steps |
|-------|------------|---|---------------------------------|
| 11/01 | 2 hours | Assessing their current situation; what could they do better; what are they doing well; I tried doing this.... but it would not work because..... | When can they reach their goal? |
| 14/01 | 3 hours | Can they get to their goal; what did my research show; what ideas I ruled out; what ideas are good ideas | Is this sustainable? |
| 18/01 | 2 hours | Research into why it would not be sustainable or why it would. What good ideas did I have; what ideas won't work | Write it all up |
| 20/01 | 3 hours | Writing up the report and making decisions on what to recommend and when | |

To be completed

| Date | Time spent | Activity | Next steps |
|------|------------|----------|------------|
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