



## Unit 10 Learn how to manage money

### Level 1

#### Evidence requirements for centre assessors

Assessment must take place before submitting learner work to the OCR Examiner-moderator. This should be made evident by the centre assessor using annotations (i.e. ticks and comments).

| Assessment criteria                                           | Requirements                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 Explain the uses of financial documents                   | <p>Learners must explain why individuals receive financial documents.<br/>e.g.</p> <ul style="list-style-type: none"> <li>• bank statement – to tell you how much money you have got or have spent.</li> <li>• wage slip – tells you how much money you have been paid.</li> </ul>                                                                         |
| 1.2 Define key terms used on a wage slip and a bank statement | <p>Learners must identify and define <b>four</b> key terms found on a wage slip <b>and four</b> key terms found on a bank statement.<br/>e.g.</p> <ul style="list-style-type: none"> <li>• sort code is a branch identifier</li> <li>• gross pay is the total paid before deductions</li> <li>• net pay is the total received after deductions.</li> </ul> |

| Assessment criteria                                                                         | Requirements                                                                                                                                                                                                                                                                                                                                                                                               |
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| 2.1 Outline why it is important to open a current account when you start earning an income. | <p>Learners must outline the need to have a current account, e.g.</p> <ul style="list-style-type: none"> <li>• to allow for an employer to pay in wages</li> <li>• to manage your money</li> <li>• to build up a good credit rating.</li> </ul> <p>Current account could be held at a bank, building society or Post Office.</p>                                                                           |
| 2.2 Explain why it is important to research different current accounts                      | <p>Learners must give <b>one</b> reason why it is important to research different current accounts, e.g.</p> <ul style="list-style-type: none"> <li>• To ensure that they access the right account for their circumstances.</li> </ul>                                                                                                                                                                     |
| 2.3 Describe the key steps taken to open a current account                                  | <p>Learners must identify the key steps needed to open a current account, e.g.</p> <ul style="list-style-type: none"> <li>• contact chosen bank</li> <li>• go for an interview</li> <li>• take advice</li> <li>• take two types of ID with you (e.g. personal id, proof of address)</li> <li>• await confirmation of account from the bank (e.g. letter, credit card, debit card, cheque book).</li> </ul> |
| 3.1 Explain income                                                                          | <p>Learners must state what the term income means and list <b>three</b> different sources of income. e.g.</p> <ul style="list-style-type: none"> <li>• income is any money received on a regular basis (daily, weekly, monthly, annually).</li> </ul>                                                                                                                                                      |
| 3.2 Explain expenditure                                                                     | <p>Learners must state what the term expenditure means and list <b>three</b> examples of expenditure.</p> <ul style="list-style-type: none"> <li>• expenditure is anything paid for on a regular basis.</li> </ul>                                                                                                                                                                                         |

| Assessment criteria                                                                              | Requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 3.3 Explain how to manage surplus                                                                | <p>Learners should explain ways of managing surplus (between their income and expenditure),<br/>e.g.</p> <ul style="list-style-type: none"> <li>• pay loans/credit cards</li> <li>• open an ISA</li> <li>• join a savings club at a local shop</li> <li>• buy premium bonds.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                             |
| 3.4 Explain the advantages and disadvantages of different payment methods for different products | <p>Learners must explain advantages and disadvantages of alternative ways of paying for products,<br/>e.g.</p> <ul style="list-style-type: none"> <li>• cash</li> <li>• hire purchase</li> <li>• bank loans</li> <li>• credit card</li> <li>• debit card</li> <li>• Paypal</li> </ul> <p>e.g.<br/>using a credit card:</p> <ul style="list-style-type: none"> <li>• advantage – secure, as you don't have to carry cash and you are covered by insurance for your purchases if something goes wrong with delivery</li> <li>• disadvantage – if you don't pay the full amount off the credit card with your first statement you will be charged interest.</li> </ul> |

| Assessment criteria                                                                | Requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| 3.5 Review alternative payment methods for a product                               | <p>Learners must review <b>two</b> different payment methods and evaluate which is the most appropriate</p> <p>e.g.</p> <ul style="list-style-type: none"> <li>• paying for a mobile phone 'up front' versus entering into a contract</li> <li>• paying for furniture in full versus utilising interest free options of credit.</li> </ul> <p>Note that candidates could choose either method as long as a reasonable justification for it is given.</p>                                                                  |
| 4.1 Outline the problems that being in debt may cause an individual and the family | <p>Learners must outline <b>two</b> problems debt causes to an individual and <b>two</b> problems that debt causes to the family.</p> <p>Problems of being in debt,<br/>e.g.</p> <p>Family:</p> <ul style="list-style-type: none"> <li>• repossession of goods or home</li> <li>• arguments caused</li> <li>• breakdown of family unit.</li> </ul> <p>Individual:</p> <ul style="list-style-type: none"> <li>• spiralling debt</li> <li>• lack of funds for essentials</li> <li>• ill health caused by stress.</li> </ul> |

| Assessment criteria                                                                  | Requirements                                                                                                                                                                                                                                                                                                                                                               |
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| 4.2 Identify people or organisations that could help individuals or families in debt | <p>Learners must identify <b>two</b> sources and identify <b>what</b> help they can give and <b>how</b> this help can be accessed.</p> <p>People or organisations that can help, e.g.</p> <ul style="list-style-type: none"> <li>• Citizens Advice Bureau</li> <li>• Money Advisory Service</li> <li>• Financial Advisor</li> <li>• Bank Manager or their staff</li> </ul> |
| 4.3 Outline how people or organisations can help individuals or families in debt     | <p>How they can help, e.g.</p> <ul style="list-style-type: none"> <li>• how to negotiate with creditors</li> <li>• help with budgeting</li> <li>• access to legal services.</li> </ul>                                                                                                                                                                                     |
| 4.4 Identify how these people or organisations can be accessed                       | <p>How these services can be accessed, e.g.</p> <ul style="list-style-type: none"> <li>• 24 hour helpline</li> <li>• website</li> <li>• in person</li> <li>• telephone.</li> </ul>                                                                                                                                                                                         |
| 5.1 Outline why it is important for an individual to have a good credit rating       | <p>Learners must give <b>two</b> reasons why a good credit rating is important to an individual. e.g.</p> <ul style="list-style-type: none"> <li>• to access bank loans</li> <li>• to get approved for a mobile phone contract</li> <li>• to buy a car</li> <li>• to access a mortgage</li> <li>• to be able to rent a property.</li> </ul>                                |