



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	Learners must explain why individuals receive financial documents. e.g. • bank statement – to tell you how much money you have got or have spent. • wage slip – tells you how much money you have been paid.
1.2 Define key terms used on a wage slip and a bank statement	Learners must identify and define four key terms found on a wage slip and four key terms found on a bank statement. e.g. • sort code is a branch identifier • gross pay is the total paid before deductions • net pay is the total received after deductions.

Assessment criteria	Requirements
2.1 Outline why it is important to open a current account when you start earning an income.	Learners must outline the need to have a current account, e.g. • to allow for an employer to pay in wages • to manage your money • to build up a good credit rating. Current account could be held at a bank, building society or Post Office.
2.2 Explain why it is important to research different current accounts	Learners must give one reason why it is important to research different current accounts, e.g. • To ensure that they access the right account for their circumstances.
2.3 Describe the key steps taken to open a current account	Learners must identify the key steps needed to open a current account, e.g. • contact chosen bank • go for an interview • take advice • take two types of ID with you (e.g. personal id, proof of address) • await confirmation of account from the bank (e.g. letter, credit card, debit card, cheque book).
3.1 Explain income	Learners must state what the term income means and list three different sources of income. e.g. • income is any money received on a regular basis (daily, weekly, monthly, annually).
3.2 Explain expenditure	Learners must state what the term expenditure means and list three examples of expenditure. • expenditure is anything paid for on a regular basis.

Assessment criteria	Requirements
3.3 Explain how to manage surplus	Learners should explain ways of managing surplus (between their income and expenditure), e.g. • pay loans/credit cards • open an ISA • join a savings club at a local shop • buy premium bonds.
3.4 Explain the advantages and disadvantages of different payment methods for different products	Learners must explain advantages and disadvantages of alternative ways of paying for products, e.g. • cash • hire purchase • bank loans • credit card • debit card • Paypal e.g. using a credit card: • 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 • disadvantage – if you don't pay the full amount off the credit card with your first statement you will be charged interest.

Assessment criteria	Requirements
3.5 Review alternative payment methods for a product	Learners must review two different payment methods and evaluate which is the most appropriate e.g. • paying for a mobile phone ‘up front’ versus entering into a contract • paying for furniture in full versus utilising interest free options of credit. Note that candidates could choose either method as long as a reasonable justification for it is given.
4.1 Outline the problems that being in debt may cause an individual and the family	Learners must outline two problems debt causes to an individual and two problems that debt causes to the family. Problems of being in debt, e.g. Family: • repossession of goods or home • arguments caused • breakdown of family unit. Individual: • spiralling debt • lack of funds for essentials • ill health caused by stress.

Assessment criteria	Requirements
4.2 Identify people or organisations that could help individuals or families in debt	Learners must identify two sources and identify what help they can give and how this help can be accessed. People or organisations that can help, e.g. • Citizens Advice Bureau • Money Advisory Service • Financial Advisor • Bank Manager or their staff
4.3 Outline how people or organisations can help individuals or families in debt	How they can help, e.g. • how to negotiate with creditors • help with budgeting • access to legal services.
4.4 Identify how these people or organisations can be accessed	How these services can be accessed, e.g. • 24 hour helpline • website • in person • telephone.
5.1 Outline why it is important for an individual to have a good credit rating	Learners must give two reasons why a good credit rating is important to an individual. e.g. • to access bank loans • to get approved for a mobile phone contract • to buy a car • to access a mortgage • to be able to rent a property.