



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. e.g.</p> <ul style="list-style-type: none"> • 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 | <p>Learners must identify and define four key terms found on a wage slip and four key terms found on a bank statement. e.g.</p> <ul style="list-style-type: none"> • sort code is a branch identifier • gross pay is the total paid before deductions • net pay is the total received after deductions. |

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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"> • to allow for an employer to pay in wages • to manage your money • to build up a good credit rating. <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 one reason why it is important to research different current accounts, e.g.</p> <ul style="list-style-type: none"> • To ensure that they access the right account for their circumstances. |
| 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"> • 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 | <p>Learners must state what the term income means and list three different sources of income. e.g.</p> <ul style="list-style-type: none"> • income is any money received on a regular basis (daily, weekly, monthly, annually). |
| 3.2 Explain expenditure | <p>Learners must state what the term expenditure means and list three examples of expenditure.</p> <ul style="list-style-type: none"> • expenditure is anything paid for on a regular basis. |

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| 3.3 Explain how to manage surplus | <p>Learners should explain ways of managing surplus (between their income and expenditure), e.g.</p> <ul style="list-style-type: none"> • 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 | <p>Learners must explain advantages and disadvantages of alternative ways of paying for products, e.g.</p> <ul style="list-style-type: none"> • cash • hire purchase • bank loans • credit card • debit card • Paypal <p>e.g. using a credit card:</p> <ul style="list-style-type: none"> • 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. |

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| 3.5 Review alternative payment methods for a product | <p>Learners must review two different payment methods and evaluate which is the most appropriate</p> <p>e.g.</p> <ul style="list-style-type: none"> • paying for a mobile phone ‘up front’ versus entering into a contract • paying for furniture in full versus utilising interest free options of credit. <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 two problems debt causes to an individual and two problems that debt causes to the family.</p> <p>Problems of being in debt, e.g.</p> <p>Family:</p> <ul style="list-style-type: none"> • repossession of goods or home • arguments caused • breakdown of family unit. <p>Individual:</p> <ul style="list-style-type: none"> • spiralling debt • lack of funds for essentials • ill health caused by stress. |

| 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 two sources and identify what help they can give and how this help can be accessed.</p> <p>People or organisations that can help, e.g.</p> <ul style="list-style-type: none"> • 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 | <p>How they can help, e.g.</p> <ul style="list-style-type: none"> • how to negotiate with creditors • help with budgeting • access to legal services. |
| 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"> • 24 hour helpline • website • in person • telephone. |
| 5.1 Outline why it is important for an individual to have a good credit rating | <p>Learners must give two reasons why a good credit rating is important to an individual. e.g.</p> <ul style="list-style-type: none"> • 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. |