

Personal Finance: The Financial Challenge Level 1, Sample 1

A

PERSONAL FINANCE

**REPORT ON FINANCIAL
SERVICES, INVESTMENT
ALTERNATIVES AND CREDIT
OPTIONS**

BBI 105

By:

B

**REPORT ON FINANCIAL SERVICES, INVESTMENTS
ALTERNATIVES, AND CONSUMER CREDIT OPTIONS**

Introduction

I am writing this report as a financial advisor for Mr and Mrs [REDACTED] a retired couple elders with rrsp's and a pension plan. They are looking to sell their home and buy a smaller one. As well, they want to do some travelling and enjoy their well deserved retirement.

I have lots of suggestions on your travelling options like credit investments financial services that are open to you and what ones you should choose and what you shouldn't. But there are some risks in some of these options.

I have made a list of options that you can choose from:

Financial Services

- **Pc banking**- I choose this because if your going to be travelling you should have an easier way to get at you money than you always having to go to the bank it self thats what pc banking lets you do is get money off the Internet.
- **Debit card**- debt card is a card that you swip through a machine and lets you take money from your bank account. you should have a debit card so you don't have to be carrying that much cash with you and your not always going to the bank.

Investment Alternatives

- **Bonds**- you should use bonds to make money by giving money to the government and in return the bond promises to pay interest on borrowed money.
- **Mutual Funds**-Is an investment product in which your money is pooled with others investors and a professional investment manager decides where to invest. If you know nothing about the stock market, then Mutual Funds are a safer way to take advantage of stock market gains.
- **GIC'S** - Is a debt with a fixed term and a set rate.

Consumer Credit Options

- **Credit card**- Credit cards are useful for your not carrying lots of cash around and you can get larger items like fridges, and stoves.
- **Charge Card** - You can use this card instead of always using cash, which is convenient if you are travelling and safer since you will not need to carry cash.

Conclusion-

So if you use all of my idea's you will be able to make money but also save money. In terms of financial services pc banking , debt are a good choice. Investment services bonds and mutual funds are great. Consumer credit cards and charge cards are the way to go. So you choose which one's you think are the best for you and get back to me

Teacher's Notes

Knowledge/Understanding

- The student identifies three different investment types but provides only a limited description of each.
- The student's consideration of economic factors is limited (e.g., only interest and fixed-term investments are mentioned, and they are not explained).
- The student's use of terms to demonstrate understanding of economic factors is limited.

Thinking/Inquiry

- The student supports the recommendations of products and services with limited effectiveness.
- The student makes limited connections to the life scenario.

Communication

- The student's selection of financial services and credit options is limited, and the supporting details do not include the effect of interest rates (e.g., "Credit cards are useful for your not carrying lots of cash around and you can get larger items like fridges, and stoves.").

Application

- The student takes the retirement scenario into account in a limited way when making savings, investment, and credit recommendations.

Comments/Next Steps

- The report should include more detailed information (e.g., definition of a bond).
- The report should mention more economic factors (e.g., inflation) and financial services (e.g., a savings account).
- There should be more connections to the retirement scenario and more supporting detail.
- The student should use the task activities to make improvements (e.g., by completing worksheets).
- The student needs to proofread his or her work carefully to correct numerous errors in spelling and grammar.

Personal Finance: The Financial Challenge Level 1, Sample 2

A

***REPORT ON FINANCIAL SERVICES, INVESTMENT
ALTERNATIVES, AND CONSUMER CREDIT
OPTIONS.***

By:

For BBI 1W1

Date:

B

***REPORT ON FINANCIAL SERVICES, INVESTMENT
ALTERNATIVES, AND CONSUMER CREDIT OPTIONS***

Introduction: I am writing this report as a financial advisor for Jim and Ashley [REDACTED]. Jim and Ashley are a recently retired couple whose children have grown up and left home wish to sell their fully paid family home, and move to a smaller dwelling in a retirement community. One partner receives a company pension and they both have RRSPs. They wish to enjoy their retirement doing all the things they have not had time to do, particularly travelling. It is an economy with high interest and high inflation.

Financial Services: Savings and chequing account, So they don't have to carry around large amounts of cash and can get interest on their money.

Debit card, so they don't have to worry about paying interest like with a credit card.

Tela Banking, To make it easier for them to control their money by using the phone, internet, or tela phone.

Investment Alternatives:RRSPs, they already have RRSPs put aside and should wait for them to mature before cashing them in, and it is good to have RRSPs to make sure you have money to retire, it has a fixed interest and no inflation rate.

Bonds, they should invest in bonds to put aside and gain money off the fixed interest rate of them, there is no inflation rate on bonds.

Stock, could gain or lose their money depending on the company, inflation may hurt markets.

Consumer Credit options: Credit Cards, allows them to be able to access money at anytime, they will have a higher credit rating than someone in high school, they will have to pay off interest on the money they borrowed.

Over Draft, allows them to go indebt by a certain amount of money to pay for certain larger items or become bankrupt.

Loans, allows them to buy now and pay later with a certain prefixed amount of interest wich might hurt them more because of high interest rates.

Conclusion: In conclusion all of the financial choices I have recomended would be usful in various ways to the people in my scenario because of the interest rates or inflation and their age and situation.

Teacher's Notes

Knowledge/Understanding

- The description of three different investment types is limited and not always correct (e.g., the information on RRSPs is inaccurate).
- The student refers to a few economic factors (e.g., interest rates and inflation) but shows limited understanding of their importance.

Thinking/Inquiry

- The student identifies three types of financial services with limited accuracy and limited descriptive detail (e.g., “Debit card, so they don’t have to worry about paying interest like with a credit card.”).
- The student makes connections to the life scenario to a limited degree.

Communication

- An explanation of how fluctuations in interest rates affect credit options is provided but with limited clarity and supporting detail in “Financial Services” and “Investment Alternatives”.

Application

- The student takes the retirement scenario into account to a limited degree when discussing savings, investment, and credit decisions.

Comments/Next Steps

- The student should provide more information (e.g., about stocks), with a focus on ensuring its accuracy.
- More connections to the retirement scenario are needed.
- The student should use the task activities to make improvements (e.g., by completing worksheets).