

Personal Finance: The Financial Challenge Level 2, Sample 1

A

PERSONAL FINANCE

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

BBI 105

By:

B

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

Introduction- The purpose of this report is to inform Mr. [REDACTED] of his financial situation in regards to the future. In this report I intend to tell him the best ways to invest his money and how to use it. This is a report on the financial services, investment alternatives and consumer credit options that would be best for him. Presently it is a time of high inflation and rising interest rates. Mr. [REDACTED] is unsure whether to attend college/university or start a business, he knows that his parents can't afford to give him all the money he needs for education or to start his business.

I would recommend that he go to college before anything to pick up mathematics and technological skills that he will need later on. To start I think he should seek new services with his banks and look into basic investments. He should start using loans for a car or housing and looking into investment alternatives.

Financial Services-

I would recommend getting a bank card for an ABM because of the convenience of use at any time and they are found almost anywhere. A chequing account will be useful to pay rent, bills and car loans. PC banking is the use of a computer for banking services also it is an option that would be useful because it can be used any time of day and at any place with the banking software or Internet access.

Investment Alternatives-

I would recommend that he begin investing into mutual funds which is an investment in the stock market with other under a company. in the current environment of high interest and inflation for a beginning start into the stock market. I would recommend that he starts a saving account for small purchases and minimal interest. Canada Savings Bonds are bond issued and guaranteed by the government with varying terms and would be useful in university for tuition pay and because of the how quickly he could take it out if needed

Consumer Credit -

I would recommend having a charge card for relatively large purchases and for shopping anywhere because of the almost universal acceptance of them. Loaning money would be a good idea for buying expensive things. Leasing would be good for using things without owning them. Student loans would be useful in university payments.

Conclusion-

If he follows these recommendations he will be on the road to financial success in his life. He should get post-secondary education for understanding of various technologies in the business world. The above recommendations would be useful financially and how he uses them is up to him.

Teacher's Notes

Knowledge/Understanding

- Some investment alternatives are identified.
- Some description is provided (e.g., “I would recommend that he starts a saving account for small purchases and minimal interest.”).
- The student demonstrates some understanding of economic factors (e.g., “begin investing into mutual funds which is an investment in the stock market with other under a company. in the current environment of high interest and inflation for a beginning start into the stock market.”).

Thinking/Inquiry

- The student provides support for the selection of products and services with some effectiveness (e.g., “Canada Savings Bonds are bond issued and guaranteed by the government with varying terms and would be useful in university for tuition pay and because of the how quickly he could take it out if needed”).

Communication

- The student communicates with moderate clarity and some supporting detail (e.g., “I would recommend getting a bank card for an ABM because of the convenience of use at any time and they are found almost anywhere.”).

Application

- The student takes the life scenario and economic factors into account to some extent (e.g., an ABM card for convenience, Canada Savings Bonds for paying tuition, and mutual funds because of the current economic climate).

Comments/Next Steps

- The student should include more detail in the “Investment Alternatives” descriptions (e.g., the recommendation to start a savings account should state clearly that “for small purchases” is a reference to liquidity).
- The student should include more recommendations relevant to the chosen scenario (e.g., the student should include an RESP in “Investment Alternatives”).
- The student should use task activities (e.g., worksheets, the peer-assessment checklist) to progress to the next level.

Personal Finance: The Financial Challenge Level 2, Sample 2

A

Personal Finance

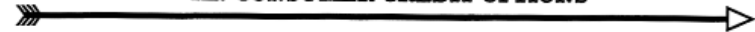
*Report on Financial
Services, Investment Alternatives
and Credit Options*

For: BBI 105

By:

B

REPORT ON FINANCIAL SERVICES , INVESTMENTS ALTERNATIVES, AN CONSUMER CREDIT OPTIONS



I am writing this report as a financial consultant from a consulting professional. You are a 35- year old married couple with two children. You want to sell your town house for a larger house in time of low interest rates and low inflation. You would also like to trade in your 8 year old minivan for a new Sport Utility Vehicle.

My recommendations to your financial situation is you should have many options for your money. You should ask your banking management if they provide certain options for you. For example, you should look into PC banking and overdraft protection.

► FINANCIAL SERVICES-

I think that you should look into Private Banking because your scenario is complicated. You should ask your banking management about RRSP and RESP for your two young children. You should ask your bank or look into if they have an Automating Banking Machine. This will save your time if you need urgent money quickly. Finally you should also get cheques. These are extremely convenient and are available when ever needed. These are far safer than cash and is also a time saver.

► INVESTMENT ALTERNATIVES-

For investment alternatives you should look into a savings account for both of you and a separate one for your children. Savings account are very safe and have a low risk factor. You should invest in Canada Savings Bonds which are a very wise investment. These are redeemable at any time and a guaranteed investment. I think that you should also invest in stocks. These are not very safe but can make you a great deal of money in a short period of time.

► **CONSUMER CREDIT-**

Some consumer credit options are that you should looking into credit cards. Credit cards are very convenient and are excepted in most places. With some credit cards you can gain air miles. If you have a credit card you should watch out for spending sprees. Since you would like to buy a new stylish sport utility vehicle. You should look into possible leasing the vehicle first and then think about buying the vehicle if you really like it. You should also go to your bank and ask for a large loan. You are going to need a loan in you are planning to buy a new and larger house. You will have to take out a loan to pay part of the cost of the house. This is a great time to buy a house of car because of low inflation and low interest rates.

Finally, you should ask your bank for any other options such as overdraft protection. I really believe that you should invest money into RRSPs and RESPs for your children.

Teacher's Notes

Knowledge/Understanding

- The student identifies some investment alternatives.
- The student provides some description of investment alternatives (e.g., Canada Savings Bonds: “redeemable at any time and a guaranteed investment”).

Thinking/Inquiry

- The student provides support for the selection of products and services with some effectiveness (e.g., cheques: “These are extremely convenient and are available when ever needed.”).

Communication

- The student communicates with moderate clarity and supporting detail (e.g., comments that the timing is ideal for purchasing a house or vehicle because of low inflation and low interest rates).

Application

- The student takes the life scenario into account to some extent (e.g., by recommending savings accounts for both parents because of the need for safe and low-risk investments).

Comments/Next Steps

- The student should relate recommendations for investments and financial services more closely to the life scenario (e.g., the use of a credit card for convenience and unexpected family expenditures).
- The descriptions require more supporting detail.
- A mortgage option should be included.
- The student should use task activities (e.g., worksheets, the peer-assessment checklist) to progress to the next level.