

Teacher Package

Business Studies Exemplar Task Grade 9 or 10 Introduction to Business – Open Teacher Package

Title: Personal Finance: The Financial Challenge

Time Requirement: 5 to 6 periods of 70 minutes each

Description of the Task

This is a culminating task to be administered at the end of the Personal Finance strand, page 11 of *The Ontario Curriculum, Grades 9 and 10: Business Studies*.

- Students will use the worksheets in the Student Package to investigate the personal financial services, investment alternatives, and consumer credit options offered by financial institutions. (All of the student worksheets are reproduced at the end of the Teacher Package.)
- Students will then apply their findings to scenarios which will take into account the reasons for differing financial needs at various stages in an individual's life.

Final Product

Each student will produce a report of approximately two pages on one of the outlined "real-life" scenarios. The report must relate the reasons for the student's recommendations regarding the most appropriate financial services, investment alternatives, and consumer credit options for the chosen scenario. Each recommendation must be supported by clear reasons. An appropriate title page is required as the first page.

Assessment and Evaluation

Assessment and evaluation of student work will be based on the following:

- peer assessment of the worksheets, using a checklist
- self-evaluation of group skills
- peer review and consultation after the draft report
- student/teacher conference about the report using the task-specific rubric*
- teacher evaluation of the final report, using the task-specific rubric

Expectations Addressed in the Exemplar Task

Students will:

1. evaluate the products and services offered by major Canadian financial institutions;
2. explain how fluctuations in interest rates affect saving, investing, and spending decisions;
3. identify various types of investment alternatives (e.g., GICs, stocks, bonds, mutual funds);
4. demonstrate an understanding of the factors that will affect the value of money over time (e.g., compounding interest, rate of inflation, saving, investment decisions).

Teacher Instructions

Prior Knowledge and Skills Required

Before attempting this task, students should have had experience with the following:

- using a word-processing package
- accessing the Internet and using search engines
- using cooperative group skills
- using peer- and self-assessment checklists during process writing to improve their work
- stating and supporting opinions

Accommodations

Accommodations that are normally provided in the regular classroom for students with special needs should be provided in the administration of this performance task.

You may wish to review the relevant course profile for specific suggestions for accommodations appropriate for students in special education programs.

Materials and Resources

- pamphlets and brochures from various financial institutions
- Canadian Bankers Association, *Helping You Bank*
- Riley Moynes, *The Money Coach* (Toronto: Addison-Wesley Longman, 1997)
- David Chilton, *The Wealthy Barber* (Toronto: Stoddart Publishing, 1998)
- Jack Wilson and David Notman, *The World of Business Video Series*, units 4 and 5; programs 2 and 3 (Scarborough, ON: Nelson Thomson Learning, 1994)
- VISA Canada Association, *Choices and Decisions: Taking Charge of Your Life* (Toronto)
- daily newspapers
- Gary Rabbior, *Money and Youth* (Toronto: Canadian Foundation for Economic Education, 1997)
- websites of banks and other financial and finance-related institutions, such as:
 - <http://www.tse.com>
 - <http://www.imoney.com>
 - <http://www.telenium.com>
 - <http://www.cba.ca>

Preparation

Before administering the task, you should do the following:

- book time in the computer lab as required
- prepare an overhead of the "Brainstorming" worksheet
- prepare an overhead of the "Personal Finance Time Line" worksheet
- prepare an overhead of the "Report Outline for Personal Finance"
- prepare an overhead of a title page suitable for use in your class

Rubric

Introduce the task-specific rubric to the students at least one day prior to the administration of the task. Review the rubric with the students and ensure that each student understands the criteria and the descriptions for achievement at each level.

Allow ample class time for a thorough reading and discussion of the assessment criteria outlined on the rubric.

Some students may perform below level 1. It will be important to note the characteristics of their work in relation to the criteria in the assessment rubric and to provide feedback to help them improve.

Task Instructions**DAY 1**

- The class brainstorms services and products offered by financial institutions to review and clarify what is meant by *personal financial services*, *investment alternatives*, and *consumer credit options*. Use an overhead of the brainstorming worksheet to lead this activity. This activity is used:
 - to introduce students to the upcoming worksheets;
 - to clarify the type of information they will want to include on their worksheet.

This activity should include:

- completion of the service/product options available;
- expansion of the brainstorming activity by asking leading questions such as *Who needs or uses the product/service? When in the life cycle would they use it?* and *How will economic conditions (e.g., inflation, high/low interest rates) affect the investment alternatives and credit options?*
- The students complete the “Personal Finance Time Line” to help them become aware that they will have different financial needs throughout their life cycle. Use this to ensure that students are aware of different financial-planning needs at different stages of their life cycle and to help them select a scenario that is relevant to them.
- The students start to complete the worksheets for “Personal Financial Services”, “Investment Alternatives”, and “Consumer Credit Options”. Clarify the information to be included on each worksheet. For example:
 - *personal financial services* include such things as an ATM or Interac card, a safety deposit box, a chequing account;
 - *investment alternatives* could include an RRSP, an RESP, a GIC, a term deposit;
 - *consumer credit options* include a mortgage, a car loan, a credit card.

Assign completion of this task for homework.

DAY 2

- The students meet in home groups of five (or suitable groupings for the class size) to share and fully complete all sections of the three worksheets.
- Observe and assist the groups in making the connections to the last two columns of the worksheets. It may be necessary for you to reteach or remediate so that all students are able to make distinctions among the investment alternatives, related economic factors (such as interest rates and rate of inflation), and the suitability of various options to the life position. You may ask leading questions, such as:
 - *What stage in the life cycle does this investment alternative most suit? Least suit? Why?*
 - *Is this a good investment alternative if there are high/low rates of inflation?*
 - *What effect will higher/lower interest rates have?*

Repeat these same kinds of questions for the various credit options.

- The students staple a peer-assessment checklist to their worksheets. The group's package of worksheets and checklists is passed to another home group, whose members do a peer assessment of the completed worksheets. Use the checklist for formative feedback only. You may wish to record this peer assessment of worksheets as complete/incomplete on your tracking sheet for “Learning Skills – Work Habits” to be reported on the new report card.
- The students stop at this point to reflect on their individual group skills. They do this by completing the worksheet “Self-reflection: Cooperative Group Skills”. Although completion of this worksheet does not affect the summative mark for this project, you may wish to make a formative comment on the reflection sheet and record an **Excellent**, **Good**, **Satisfactory**, or **Needs Improvement** on your tracking sheet for “Learning Skills – Teamwork”.
- The students move to the next stage, which includes selecting a scenario from the choices provided below and choosing the financial services, investment alternatives, and credit options appropriate to the chosen scenario. Students, acting as financial advisers, must make connections between the real-life scenario and the content material covered to date.
- Students complete the planning sheet “Personal Finance: Rough Planning Sheet Outline for Report” to prepare to write their report. Students may complete this manually, using the planning sheet provided, or on a computer, using the sheet as a guide. Students should complete this sheet for homework if they are not able to finish it in class.
- Students select one of the following scenarios, which depict real-life situations in a person's life span. To make this even more realistic, students may wish to personalize their chosen scenario by giving the character(s) name(s).

Scenarios

1. A senior high school student with a part-time job [the student may wish to make it a specific job] wishes to attend college/university OR start his/her own business after graduation in a time of rising interest rates and high inflation. The student knows that his/her parents cannot afford to pay for all of his/her education OR give him/her start-up money for a business; therefore he/she will have to help out.
2. A recent graduate has just started his/her first full-time job, is moving to an apartment for the first time, and needs to purchase a car to get to work. This person may need to acquire furniture, an entertainment centre, and other essentials to set up the apartment. He/she has a balance owing on his/her credit card. This is in a time of low interest rates and low inflation.
3. A 35-year-old married couple with two young children want to sell their townhouse and buy a larger house in a time of low interest rates and low inflation. They would also like to trade their 8-year-old minivan for a new fashionable SUV (sport utility vehicle).
4. A recently retired couple whose children have grown up and left home wish to sell their family home, which is fully paid for, 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 rates and high inflation.

DAY 3

- Each student pairs with a classmate who has chosen the same scenario. One acts as the financial adviser, the other as the person(s) in the scenario seeking advice, to see if both have covered all of the possibilities for their scenario in the completion of their planning sheets. The students then reverse roles and repeat the process.
- Discuss the rubric with the students. Since students may have limited experience in the use of rubrics, it is recommended that you review the concept of rubrics and levels, discuss the descriptors at all four levels, and point out what is required to reach a level 3 or 4.
- Along with the rubric, it is advised that you review the “Peer Review: Draft Business Report” checklist with the students. This will enable students to know exactly what is required in each part of the report.
- Each student, acting in the role of a financial adviser, starts to key a draft report following the “Report Outline for Personal Finance”. You may wish to prepare an overhead to review/teach report format. It is important that you assist students who are having difficulty writing the introduction to their report by again asking them leading questions, such as:
 - *Why are you writing the report?*
 - *What is your scenario?*
 - *What is your role as writer?*
 - *Are you using appropriate language for a financial adviser?*

For students who have never written a business report, or are having difficulty with set-up, suggest they look at the computer screen of a student who has mastered the format, not to plagiarize content, but to look at layout.

- Inform students that they do not need to include all the information from their worksheets in the report but are to select those items which are most appropriate for their scenario and which they are capable of explaining, connecting, and supporting.

DAY 4

- Students continue to key the rough draft of their report and prepare an appropriate title page. You may wish to use an overhead to illustrate the correct set-up and information needed on a title page.
- You may wish to do an informal peer review of draft reports on screen to ensure that students are achieving the expectations or are brought back on track early in the report-writing process.
- Students are to have the rough draft of their report ready for peer editing at the beginning of class on Day 5. If the draft is not completed in class on Day 4, students should be allowed to come in before or after class to complete their report, or at another time that is convenient for both the students and the teacher.

Personal Financial Time Line

Fill in the appropriate investment instruments for each stage of your financial life cycle. Note that the same instrument may apply in more than one stage. You may add additional stages to personalize this time line to meet your goals; for example, taking a year off to travel, getting married, buying a different home, or other items of your choice.

Stages in Life Cycle

Retirement

- travel
- RRSP
- fixed pension

Job Advancement/New Job

- buying new car
- saving for retirement
- buying house

Work/University

- buying car
- renting apartment
- moving out

Teenager/High School

- part-time job?
- allowance

Youth

- delivering flyers
- allowance
- monetary gifts

Investment Instruments

- opening a savings account
- saving in a piggy bank

(Adapted from Introduction to Business, Course Profile, Grade 9 or 10 Open, Appendix 1.4, page ix)

Worksheet – Personal Financial Services

Complete the following

Name _____

Personal Financial Services	Description	Reasons for Use	Position in Life Cycle (e.g., age, marital status, family, future plan)
1. Automated Bank Machine	- using a bank card with electronic information and a PIN, a customer can access his/her account at any branch or remote location which has an ATM	- available 24 hours a day (very convenient)	- individuals will likely start to use electronic funds transfer as teenagers and continue to do so for the rest of their life
2			
3			
4			
5			

Worksheet - Consumer Credit Options

Complete the following

Name _____

Consumer Credit Options	Description	Reasons for Use	Economic Factors (e.g., rate of inflation and interest rates)	Life Position (e.g., age, marital status, family, future plans)
1 Mortgage	- a loan taken to buy a house or property with the house as collateral for the loan	- to purchase a house - prefer to own rather than rent	- interest fixed for a period of time, but value of house will increase in inflationary times	- married, young family
2				
3				
4				
5.				

12

Worksheet - Investment Alternatives

Complete the following

Name _____

Investment Alternatives	Description	Reasons for Use	Economic Factors (e.g., rate of inflation and interest rates)	Position in Life Cycle (e.g., age, marital status, family, future plans)
1 Canada Savings Bond - CSB	- issued by the federal government at a stored rate of interest	- redeemable at any time - guaranteed investment	- interest rate may vary due to inflation - usually a lower interest rate because of no risk - very liquid	- good choice when money may be needed quickly
2				
3				
4				
5				

11

Peer-Assessment Checklist

Personal Financial Services, Investment Alternatives,
and Consumer Credit Options Worksheets

Y - Yes
N - No

Name _____

Personal Financial Services

- 3 - 5 appropriate financial services listed Y N
- description stated for each Y N
- reasons for use given Y N
- position in life stated Y N

Investment Alternatives

- 3 - 5 appropriate investment alternatives listed Y N
- description stated for each Y N
- reasons for use given Y N
- effects of economic factors Y N
(inflation/interest/risk/yield/liquidity)
- position in life stated Y N

Consumer Credit Options

- 3 - 5 appropriate consumer credit options listed Y N
- description stated for each Y N
- reasons for use given Y N
- effects of economic factors Y N
(inflation/interest/risk/yield/liquidity)
- position in life stated Y N

Peer Evaluator _____

Additional Comments



Cooperative Group Skills

Student Name: _____ Date: _____

List the things you did to help your group complete this task:

How did you ensure that others understood the information you presented?

List the cooperative skills you used during the completion of this task:

Which cooperative group skills do you feel you still need to work on?

What would you do differently next time?

**Personal Finance:
Rough Planning Sheet Outline for
Report**

Complete manually or on a computer in point form

Scenario Chosen

Financial Services 3 - 5 chosen with reasons

Investment Alternatives 3 - 5 chosen with reasons

Consumer Credit Options 3 - 5 chosen with reasons

Conclusion key reasons for each selection from above

15

Report Outline for Personal Finance

The TITLE is centred in capitals.

**REPORT ON FINANCIAL SERVICES, INVESTMENT ALTERNATIVES,
AND CONSUMER CREDIT OPTIONS (Enter 3 times --- triple space)**

Introduction - Side headings are keyed in upper and lower case and underlined
(Enter 2 times -- double space)

- Paragraph One - purpose - reason for report and a brief description of scenario (e.g.: I am writing this report as a financial adviser for Harinder and Nevina Singh. Harinder and Nevina are ...) state scenario (Enter 2 times -- double space)
- Paragraph Two - state recommendations (Enter 3 times --- triple space)

Financial Services - (Enter 2 times -- double space)

State the most appropriate financial services, and give reasons why these services are needed and related to the position in the life cycle of your particular scenario. Make sure you provide a high degree of support for your choices. (Enter 3 times -- triple space)

Investment Alternatives (Enter 2 times -- double space)

State the investment alternatives most appropriate to your chosen scenario; explain why they were chosen with reference to the economic climate and position in the life cycle. Make sure you communicate the effects of interest rates and rate of inflation with clear supporting detail. (Enter 3 times --- triple space)

Consumer Credit Options (Enter 2 times -- double space)

State the consumer credit options you would choose for your scenario and explain why you chose them. Remember to provide a high degree of supporting evidence for your choices related to the economic climate and position in the life cycle of your chosen scenario. (Enter 3 times --- triple space)

Conclusion (Enter 2 times -- double space)

Summarize the recommendations on personal financial services, investment alternatives, and consumer credit options, stating key supporting evidence for your choices.

16

Peer Review: Draft Business Report

Writer's Name _____

TITLE PAGE

- Does the title page contain the proper information? Y N
- Is the title page set up in a proper format? Y N

INTRODUCTION

- Does the first paragraph state the purpose of the report? Y N
- Does the first paragraph outline the scenario selected? Y N
- Does the second paragraph state recommendations on the following?
 - personal financial services Y N
 - investment alternatives Y N
 - consumer credit options Y N

BODY OF THE REPORT

- Does the section on Financial Services:
 - state the financial services recommended? Y N
 - give reasons for each recommendation? Y N
- Does the section on Investment Alternatives:
 - state the investment alternatives recommended? Y N
 - give reasons for each recommendation? Y N
 - relate to the economic climate (inflation, recession)? Y N
 - relate to the change in interest rates? Y N
- Does the section on Consumer Credit Options:
 - state the consumer credit options recommended? Y N
 - give reasons for each recommendation? Y N
 - relate to the economic climate (inflation, recession)? Y N
 - relate to the change in interest rates? Y N

CONCLUSION

- Does the conclusion summarize key recommendations? Y N
- Does the conclusion include key reasons for choice? Y N

FORMAT OF WRITTEN REPORT

- Is the title keyed in **bold** and in **BLOCK CAPITALS**? Y N
- Are the side headings correct? Y N
- Check the spacing:
 - triple space before all side headings? Y N
 - double space after all side headings? Y N
 - double space between paragraphs? Y N

MECHANICS OF WRITING

- Have all spelling errors been corrected? Y N
- Has appropriate punctuation been used with appropriate spacing? Y N
- Does the report sound businesslike? Y N
- Is the document free of grammatical errors? Y N

Reviewer's Name and Comments