



## EMPLOYABILITY SKILLS

10399, 10400, 10401, 10402, 10403, 10404

### LEVEL 2

UNIT 15 – UNDERSTAND HOW TO MANAGE  
MONEY

## DELIVERY GUIDE

May 2015

# INTRODUCTION

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## INTRODUCTION

This Delivery Guide and Plan has been developed to provide practitioners with a variety of creative and practical ideas to support the delivery of this qualification. The Guide is a collection of lesson ideas with associated activities, which you may find helpful as you plan your lessons.

OCR has collaborated with current practitioners to ensure that the ideas put forward in this Delivery Guide are practical, realistic and dynamic. The Guide is structured by learning outcome so you can see how each activity helps you cover the specification.

We appreciate that practitioners are knowledgeable in relation to what works for them and their learners. Therefore, the resources we have produced should not restrict or impact on practitioners' creativity to deliver excellent learning opportunities.

Whether you are an experienced practitioner or new to the sector, we hope you find something in this guide which will help you to deliver excellent learning opportunities.

If you have any feedback on this Delivery Guide or suggestions for other resources you would like OCR to develop, please email [resources.feedback@ocr.org.uk](mailto:resources.feedback@ocr.org.uk).

## PLEASE NOTE

The activities suggested in this Delivery Guide and Lesson Element **MUST NOT** be used for assessment purposes.

The timings for the suggested activities in this Delivery Guide **DO NOT** relate to the Guided Learning Hours (GLHs) for each unit.

Assessment guidance can be found within the Unit document available from [www.ocr.org.uk](http://www.ocr.org.uk).

The latest version of this Delivery Guide can be downloaded from the OCR website.

## LINKS TO CAMBRIDGE PROGRESSION UNIT(S)

Learning Outcome	Activity Title	Links to Assessment Criteria in this unit	Mapped to Cambridge Progression Level 2 units
1 Understand the purposes of financial documents	1 - Financial documents	1.1	English - 5429 - Read for implied purpose and meaning LO2
	2 - Purposes of financial documents	1.1	English - 5429 - Read for implied purpose and meaning LO2 English - 5450 - Manage discussions LO1
	3 - Key information on financial documents	1.2	English - 5439 - Construct simple sentences LO4 English - 5450 - Manage discussions LO2
2 Be able to budget	1 - Expenditure for a specific project	2.1	English - 5450 - Manage discussions LO2 Maths - 5761 - Calculations with whole numbers, ratio and direct proportion LO2
	2 - Contingency planning	2.2	English - 5450 - Manage discussions LO1 Maths - 5761 - Calculations with whole numbers, ratio and direct proportion LO2
	3 - Different payment methods	2.3, 2.4	English - 5450 - Manage discussions LO1 English - 5429 - Read for implied purpose and meaning LO1

## LINKS TO CAMBRIDGE PROGRESSION UNIT(S)

Learning Outcome	Activity Title	Links to Assessment Criteria in this unit	Mapped to Cambridge Progression Level 2 units
3 Understand the consequences of getting into debt	1 - How people get into debt	3.1	English - 5429 - Read for implied purpose and meaning LO1 English - 5450 - Manage discussions LO1
	2 - Problems that debt may cause	3.2	English - 5725 - Listen to and respond in a constructive manner LO1 English - 5429 - Read for implied purpose and meaning LO1 English - 5439 - Construct simple sentences LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1
	3 - People or organisations that can help those in debt	3.3	English - 5429 - Read for implied purpose and meaning LO1
4 Understand why credit rating is important	1 - Finding out about credit rating	4.1	English - 5429 - Read for implied purpose and meaning LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1 English - 5439 - Construct simple sentences LO1
	2 - Getting a good credit rating	4.2	English - 5725 - Listen to and respond in a constructive manner LO1 English - 5429 - Read for implied purpose and meaning LO1 English - 5450 - Manage discussions LO1
	3 - The importance of a good credit rating	4.3	English - 5429 - Read for implied purpose and meaning LO1 English - 5439 - Construct simple sentences LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1

# UNIT 15 – UNDERSTAND HOW TO MANAGE MONEY

Guided learning hours : 25

Credit value: 3

## PURPOSE OF THE UNIT

This unit will provide learners with an understanding of factors that have an impact on personal finance, understanding routine financial documents, payments methods, how to access financial support, the cause and effect of debt and understanding personal credit rating. Learners will be able to budget for a special project, such as booking a travel package for a group of people.

Learning Outcome The learner will:	Assessment Criteria The learner can:	Teaching Content ie – must be covered eg – suggestions for coverage
1 Understand the purposes of financial documents	1.1 Explain the purpose of financial documents	Learners must explain the uses of routine financial documents, e.g. <ul style="list-style-type: none"> <li>• Bank statement – to identify income and expenditure.</li> <li>• Wage slip – to identify income and deductions.</li> </ul>
	1.2 Explain the importance of key information found on financial documents	Learners must explain the importance of key information in routine financial documents, e.g. Key pieces of information, e.g. <ul style="list-style-type: none"> <li>• National Insurance Number</li> <li>• Sort Code</li> <li>• Annual Percentage Rate</li> <li>• Income tax code</li> <li>• Gross/Net pay.</li> </ul> Importance, e.g. <ul style="list-style-type: none"> <li>• to check if all transactions are correct</li> <li>• payment date</li> <li>• minimum payment</li> <li>• gross pay.</li> </ul>

Learning Outcome The learner will:	Assessment Criteria The learner can:	Teaching Content ie – must be covered eg – suggestions for coverage
2 Be able to budget	2.1 Calculate the total expenditure needed for a specific project	<p>Learners could attempt to link this project to a specific job or career that they aspire to.</p> <p>Learners to calculate the costs of a project of their own choosing. e.g. if learner uses the job role of travel agent, the project could be to cost a travel package: e.g. for a group of six.</p>
	2.2 Prepare a budget to cover any problems that may arise in their chosen project	<p>Contingency planning, e.g. for travel agent example problems could include:</p> <ul style="list-style-type: none"> <li>• flight delays</li> <li>• car breakdown</li> <li>• illness.</li> </ul> <p>Learners must work out a contingency budget and calculate this.</p>
	2.3 Consider the advantages and disadvantages of different payment methods	<p>Learners consider that there are alternative ways of paying for products and each has its own advantages and disadvantages, e.g.</p> <ul style="list-style-type: none"> <li>• cash</li> <li>• hire purchase</li> <li>• bank loans</li> <li>• credit /debit card</li> <li>• PayPal.</li> </ul>
	2.4 Review methods of payment	<p>Learners must study different payment methods and explain why each is best suited to different value items.</p> <p>Items/payment methods, e.g.</p> <ul style="list-style-type: none"> <li>• weekly food shop – debit card or credit card</li> <li>• laptop – debit card or credit card</li> <li>• small car – bank loan with low APR</li> <li>• mobile phone contract – direct debit</li> <li>• fast food meal – cash.</li> </ul> <p>Reason for decisions, e.g.</p> <ul style="list-style-type: none"> <li>• laptop – pay with credit card – because it's not advisable to carry around large sums of cash and also there is purchase protection offered by the credit card company</li> <li>• mobile – direct debit – to ensure regular payments are made on time.</li> </ul>

Learning Outcome The learner will:	Assessment Criteria The learner can:	Teaching Content ie – must be covered eg – suggestions for coverage
3 Understand the consequences of getting into debt	3.1 Explain how people get into debt	Causes of debt, e.g. <ul style="list-style-type: none"> <li>• spending more money than you earn/receive</li> <li>• failing to pay bills</li> <li>• continual loss of money due to excessive gambling.</li> </ul>
	3.2 Explain the problems that getting into debt may cause for an individual and the family	Learners must be able to outline the problems caused by debt to an individual and the family.  Problems of being in debt, e.g. Family: <ul style="list-style-type: none"> <li>• repossession of goods or home</li> <li>• arguments caused</li> <li>• breakdown of family unit</li> </ul> Individual: <ul style="list-style-type: none"> <li>• spiralling debt</li> <li>• lack of funds for essentials</li> <li>• ill health caused by stress.</li> </ul>
	3.3 Assess how people or organisations could help individuals or families in debt	People or organisations who could help, e.g. <ul style="list-style-type: none"> <li>• Citizens Advice Bureau</li> <li>• Money Advisory Service</li> <li>• Financial Advisor</li> <li>• Bank Manager or their staff.</li> </ul>



Learning Outcome The learner will:	Assessment Criteria The learner can:	Teaching Content ie – must be covered eg – suggestions for coverage
4 Understand why credit rating is important	4.1 Describe how an individual can find out about their credit rating	<p>Learners could research credit rating companies such as, e.g.</p> <ul style="list-style-type: none"> <li>• Experian Credit Experts</li> <li>• Equifax</li> <li>• Callcredit.</li> </ul>
	4.2 Explain how an individual can get a good credit rating	<p>Learners should explain how an individual can get a good credit rating, e.g.</p> <ul style="list-style-type: none"> <li>• not missing payments on loans/credit cards (or any form of credit)</li> <li>• making payments on time</li> <li>• manage debt successfully</li> <li>• use credit responsibly</li> <li>• regular income.</li> </ul> <p>Learners could also research websites, such as MoneySavingExpert.com, which explains credit scoring and gives tips on how to improve credit scores.</p>
	4.3 Explain why a good credit rating is important	<p>Learners should understand what it means to have a good credit rating and how it can affect an individual's financial wellbeing, e.g. enables people to:</p> <ul style="list-style-type: none"> <li>• be eligible for a mortgage</li> <li>• access credit</li> <li>• be approved for hire purchase agreements</li> <li>• be able to rent properties through an estate agent.</li> </ul>

## LEARNING OUTCOME 1 – UNDERSTAND THE PURPOSES OF FINANCIAL DOCUMENTS

Learning Outcome The learner will:	Assessment Criteria The learner can:
1 Understand the purposes of financial documents	1.1 Explain the purpose of financial documents
	1.2 Explain the importance of key information found on financial documents

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
1 Financial documents	Teachers could explain that some documents are financial and some are not. They could provide the learners with one example of a financial document and one example of a non-financial document and ask them to identify the purpose of the texts. Learners could work in pairs to organise document cards (e.g. letter of complaint about poor service in a restaurant, utility bill etc.) into financial and non-financial groups. Learners could then look at a bank statement and identify income and expenditure. They could then look at a wage slip and identify income and deductions.	30 minutes	1.1	English - 5429 - Read for implied purpose and meaning LO2

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
2 Purposes of financial documents	Teachers could explain that financial documents have a purpose, e.g. a business report would be used to identify a company's profit and loss. The learners could work in pairs to find images of financial documents on the Internet and discuss these. They could then use the images to develop a ICT based presentation to show examples of different financial documents, with an explanation of their uses. The learners could present this to the class.	50 minutes	1.1	English - 5429 - Read for implied purpose and meaning LO2 English - 5450 - Manage discussions LO1
3 Key information on financial documents	Teachers could tell the learners that financial documents contain key information which is important for various reasons, e.g. a budget plan has totals for income and expenditure and this information is important to check that over-spending is not going to take place. Learners could work in small groups to discuss and identify key information on financial documents and write a statement/s for each document that explains the importance of the information. Teachers could encourage learners to proof-read what they have written and correct any errors in spelling, punctuation and grammar.	35 minutes	1.2	English - 5439 - Construct simple sentences LO4 English - 5450 - Manage discussions LO2

## LEARNING OUTCOME 2 – BE ABLE TO BUDGET

Learning Outcome The learner will:	Assessment Criteria The learner can:
2 Be able to budget	2.1 Calculate the total expenditure needed for a specific project
	2.2 Prepare a budget to cover any problems that may arise in their chosen project
	2.3 Consider the advantages and disadvantages of different payment methods
	2.4 Review methods of payment

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
1 Expenditure for a specific project	Teachers could explain that total expenditure needs to be calculated for specific projects to ensure that a project can be afforded. They could write a selection of projects on the whiteboard to discuss with the class and ask the learners for any other suggestions. Learners could work in pairs to choose a project (e.g. a trip to a music festival) and calculate the total expenditure of the project, taking into account various costs, such as travel costs, accommodation, ticket costs, food and drink etc. The Internet could be used as support. Teachers could encourage the learners to make calculations without the use of a calculator.	1 hour	2.1	English - 5450 - Manage discussions LO2 Maths - 5761 - Calculations with whole numbers, ratio and direct proportion LO2
2 Contingency planning	Teachers could explain that additional funds are sometimes required to cover problems that may arise in a chosen project and this needs to be budgeted for. They could write a list of potential problems on the whiteboard to discuss as a class. Learners could work in pairs to discuss the problems that could arise in their chosen project. They could identify four main problems and record their ideas in a diagram. They could then work out a contingency budget to cover these. The Internet could be available for learners to research costs. Teachers could encourage the learners to make calculations without the use of a calculator.	40 minutes	2.2	English - 5450 - Manage discussions LO1 Maths - 5761 - Calculations with whole numbers, ratio and direct proportion LO2

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
3 Different payment methods	Teachers could explain that there are advantages and disadvantages of using different payment methods and that certain payment methods are best suited to particular items, e.g. a small car can be paid for with a bank loan that has a low APR. They could write a list of different payment methods on the whiteboard. The learners could use the Internet to study the different payment methods and find out about the advantages and disadvantages of using each of these. They could also research why each of the payment methods is best suited to different value items. They could then work in pairs to discuss their findings and to create a leaflet about the topic.	1 hour	2.3, 2.4	English - 5450 - Manage discussions LO1 English - 5429 - Read for implied purpose and meaning LO1



## LEARNING OUTCOME 3 – UNDERSTAND THE CONSEQUENCES OF GETTING INTO DEBT

Learning Outcome The learner will:	Assessment Criteria The learner can:
3 Understand the consequences of getting into debt	3.1 Explain how people get into debt
	3.2 Explain the problems that getting into debt may cause for an individual and the family
	3.3 Assess how people or organisations could help individuals or families in debt

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
1 How people get into debt	Teachers could explain that some people get into debt (e.g. through over-spending every month or through excessive gambling) which causes problems. Learners could work in pairs to find out (using the Internet) about the different reasons that people get into debt. They could discuss the reasons and create a display poster aimed at warning people about the dangers of getting into debt. The poster could be titled 'Beware of getting into debt!'	50 minutes	3.1	English - 5429 - Read for implied purpose and meaning LO1 English - 5450 - Manage discussions LO1
2 Problems that debt may cause	Teachers could explain that debt causes problems for individuals and their families, e.g. poor health due to stress, home could be repossessed. They could read a short life-story out about a person who has had problems because of debt and ask the learners to make a list of the problems. Learners could work in pairs to find out about other problems that debt causes individuals and their families using the Internet. They could then plan and write a narrative about a person and their family (that they invent) who is experiencing problems due to debt. Teachers could encourage the learners to write in complex sentences, using correct grammar. The learners could read their invented stories out to the class.	1 hour	3.2	English - 5725 - Listen to and respond in a constructive manner LO1 English - 5429 - Read for implied purpose and meaning LO1 English - 5439 - Construct simple sentences LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
3 People or organisations that can help those in debt	Teachers could explain that there are people or organisations that can help people or families who are in debt, e.g. a bank manager or bank staff can help with a budget plan. They could ask the learners to consider the story they wrote in the task 'Problems that debt may cause' and look on the Internet to find out what help may be available to those in debt. The learners could assess the different types of help available and write an advice leaflet aimed at people who need help with their debt problems.	50 minutes	3.3	English - 5429 - Read for implied purpose and meaning LO1

## LEARNING OUTCOME 4 – UNDERSTAND WHY CREDIT RATING IS IMPORTANT

Learning Outcome The learner will:	Assessment Criteria The learner can:
4 Understand why credit rating is important	4.1 Describe how an individual can find out about their credit rating
	4.2 Explain how an individual can get a good credit rating
	4.3 Explain why a good credit rating is important

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
1 Finding out about credit rating	Teachers could explain that there are companies that can provide individuals with information about their credit rating, e.g. Experian Credit Experts. Learners could use the Internet to find out about other companies that provide this service and feedback their findings to the class. They could then work in pairs to research what individuals need to do to obtain information about their credit rating. They could write an explanation about this. Teachers could encourage learners to write in complex sentences, using correct grammar.	40 minutes	4.1	English - 5429 - Read for implied purpose and meaning LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1 English - 5439 - Construct simple sentences LO1
2 Getting a good credit rating	Teachers could explain that there are many ways that an individual could improve their credit rating. They could show the learners a short video about how a person could improve their credit rating. They could ask the learners to make notes while they watch the video. Video link: <a href="http://www.telegraph.co.uk/finance/personalfinance/money-saving-tips/10073919/How-to-boost-your-credit-rating.html">http://www.telegraph.co.uk/finance/personalfinance/money-saving-tips/10073919/How-to-boost-your-credit-rating.html</a> Learners could use the Internet to find out more about how an individual could improve their credit rating. They could work in pairs to discuss their findings and write a list of '10 top tips' to help people obtain a good credit rating.	50 minutes	4.2	English - 5725 - Listen to and respond in a constructive manner LO1 English - 5429 - Read for implied purpose and meaning LO1 English - 5450 - Manage discussions LO1

Suggested content	Suggested Activities	Suggested timings	Links to Assessment Criteria	Mapped to Cambridge Progression Level 2 units
3 The importance of a good credit rating	Teachers could explain to the learners why it is important to have a good credit rating, e.g. a person needs a good credit rating to be able to rent a property. Learners could find out more about this by looking at the Money Saving Expert website. They could work in pairs to discuss why a good credit rating is important for five financial areas, to include: mortgages, credit cards, energy bills, mobile phones and loans. Learners could write one complex sentence that explains why a good credit rating is important for each of the five financial areas. Teachers could encourage the learners to use correct grammar and ask them to read out their explanations to the class.	50 minutes	4.3	English - 5429 - Read for implied purpose and meaning LO1 English - 5439 - Construct simple sentences LO1 English - 5447 - Speak to communicate information, ideas and opinions LO1





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