


## Know about financial documents

### Unit 2 – Learn about managing money

#### ***Instructions and answers for teachers***

*These instructions should accompany the OCR Lesson Element ‘Know about financial documents’, which supports OCR Awards and Certificates in Employability Skills Unit 2 – Learn about managing money.*



The screenshot shows a worksheet titled 'Know about financial documents' under the heading 'Unit 2 – Learn about managing money'. It includes 'Task 1 – Finding out about financial terms' with instructions to find everyday financial terms. It provides definitions for 'Financial' (relating to money matters) and 'Terms' (a word or phrase used in a special area, e.g., 'Cardiac vein' is a medical term that means 'vein in a heart'). There are three blank lines for students to write their own terms. The worksheet also includes instructions for a matching activity and a research task to create a display poster. The OCR logo is visible in the bottom right corner.

#### Associated files

Activity – Know about financial documents

#### Expected duration

Task 1 – 1 hour

Task 2 – 1 hour

Task 3 – 50 minutes



## Task 1 – Finding out about financial terms

Explain to the learners that they are going to be finding out about everyday financial terms.

Write the following definitions on the whiteboard:

**Financial** – relating to money matters

**Terms** – a word or phrase used in a special area (eg. 'Cardiac vein' is a medical term that means 'vein in a heart').

Ask the learners if they can think of any financial terms and discuss any suggestions.

Write the following examples of financial terms and definitions on the whiteboard:

**Balance** – the amount of money in your bank account or any other account.

**Cash card** – a card that lets you use a cash machine to withdraw money, check your balance or print a mini-statement.

Explain to the learners that a definition is an explanation, or a meaning, of a term used.

Ask the learners to work in pairs to match these financial terms and definitions cards.

Financial terms (in black) and definitions (in blue) cards (to be laminated and cut out).

<b>ATM</b>	Automated Teller Machine is a cash dispensing machine (or 'hole in the wall')	<b>Bank</b>	A company that provides a range of financial services, such as current accounts
<b>Cheque</b>	A written instruction to the bank to pay either yourself or someone else	<b>Credit</b>	An account in credit means there is money available
<b>National Insurance</b>	A tax paid by people who work that covers state benefits	<b>PIN</b>	Personal Identification Number – a secret number you use with a cash card, credit card or debit card
<b>Statement</b>	A document which shows payments in and withdrawals from your account	<b>Debit card</b>	A plastic card that is used instead of cash
<b>Credit card</b>	A plastic card that allows you to 'buy now and pay later'	<b>Income tax</b>	Tax taken from your earnings
<b>Interest</b>	A percentage of money on top of an original amount	<b>Gross pay</b>	Your pay before any income tax or national insurance are taken away from it
<b>Net pay</b>	Your pay after income tax and national insurance are taken away	<b>Tax year</b>	A 12 month period from 6 <sup>th</sup> April in one year to 5 <sup>th</sup> April in the next year

Ask the learners to work in pairs and use the internet (or pre-printed resources) to research everyday financial terms and their definitions.

Ask them to develop a display poster titled 'Everyday Financial Terms Explained' that includes a range of financial terms and their definitions.

Provide the learners with large sheets of coloured card, coloured pens and a selection of relevant images.



## Task 2 – Finding out about financial documents

Explain to the learners that they are going to be finding out about different financial documents.

Remind them that the word 'financial' means 'money matters'. Explain to the learners that a financial document is an official piece of paper containing information about money matters.

Write these two examples of financial documents on the whiteboard:

- Bank statement
- Wage slip

Ask the learners if they can think of any other financial documents.

Ask the learners to work in small groups and use the internet (or pre-printed resources) to research different types of financial documents that a household might receive on a regular basis. Tell the learners that their research should include a bank statement and a wage slip.

Ask the learners to complete the table in the learner resources, which has additional columns relating to 'information found on the document' and 'purpose of the document'.

Ask each of the groups to feedback their findings with the rest of the class.

Ask the learners to work in pairs. Hand out a copy of four different financial documents (to include a bank statement and a wage slip) and ask the learners to discuss and identify each of the documents.

Financial documents (to be photocopied and handed out):

## Example wage slip

Your Bank

Your

# STATEMENT

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<p><i>Account name</i>     JASWINDER KAUR SINGH</p> <p><i>Account number</i>     1659312408</p> <p><i>Branch</i>     38 Harry Street, Kings Head, Coventry</p> <p>753     H131 VNB     27 854     11934</p> <p>MISS J K SINGH 301 HAWKINS ROAD KINGS HEAD COVENTRY CV2 2PL</p>	<p><i>Summary for 20 May – 21 Jun 2015</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="border-top: 1px solid black;">Start balance</td><td style="text-align: right; border-top: 1px solid black;">£ 9.19</td></tr> <tr><td style="border-top: 1px solid black;">Total in</td><td style="text-align: right; border-top: 1px solid black;">£ 1212.91</td></tr> <tr><td style="border-top: 1px solid black;">Total out</td><td style="text-align: right; border-top: 1px solid black;">£ 96.25</td></tr> <tr><td style="border-top: 1px solid black;"><b>End balance</b></td><td style="text-align: right; border-top: 1px solid black;"><b>£ 1125.85</b></td></tr> <tr><td style="border-top: 1px solid black;">Overdraft limit</td><td style="text-align: right; border-top: 1px solid black;">£500.00</td></tr> <tr><td style="border-top: 1px solid black;">Credit interest rate</td><td style="text-align: right; border-top: 1px solid black;">14.9% PA</td></tr> </table>	Start balance	£ 9.19	Total in	£ 1212.91	Total out	£ 96.25	<b>End balance</b>	<b>£ 1125.85</b>	Overdraft limit	£500.00	Credit interest rate	14.9% PA
Start balance	£ 9.19												
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Total out	£ 96.25												
<b>End balance</b>	<b>£ 1125.85</b>												
Overdraft limit	£500.00												
Credit interest rate	14.9% PA												

Sort Code 40 24 32

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### Transactions

Date	Description	Details	Money out	Money in	Balance
20 May	Start balance				9.19
25 May	Salary BACS			1012.91	1022.10
5 Jun	Deposit at Your Bank	Cash		200.00	1222.10
7 Jun	Cashpoint 3 - East Road	Withdrawal	50.00		1172.10
7 Jun	Payment to Veronica's	Debit Card purchase	19.98		1152.12
9 Jun	Payment to Tesco	Debit Card purchase	10.27		1141.85
14 Jun	Payment to BHS	Debit Card purchase	16.00		1125.85
21 Jun	End balance				1125.85

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Your Bank plc  
P.O. Box No. 99  
London

## Example wage slip

### Details

EMPLOYEE JASWINDER KAUR SINGH  
NI GH 31 44 90 D

TAX PERIOD 2015  
PAY DATE 25/05/15 M1  
TAX CODE 522L

GROSS WAGES T/D 2500.00  
TAX PAID T/D 398.84

### Deductions

COMPANY PENSION	0
INCOME TAX	149.42
NATIONAL INSURANCE	87.67
OTHER DEDUCTIONS	0
<b>TOTAL</b>	<b>237.09</b>

### Payment

HRS O/T	0
OTHER	0
BONUS	0
SSP/SMP	0
BASIC	1250.00
GROSS	1250.00
DEDUCTIONS	237.09
<b>TAX CREDITS</b>	<b>0</b>
NET PAY	1012.91

BACS



# Example utility bill

## Your water and wastewater bill

5 May 2015 to 29 April 2016

### About this bill

**For water and wastewater services at**

301 Hawkins Rd, Kingshead,  
COVENTRY CV2 2PL

### Amount due

**The amount due is  
£242.09**

This includes your estimated charges for the next 12 months and your current balance.

- ▶ You can find details of how we worked out the amount due on page 3.
- ▶ For a more detailed explanation of your payment plan please see the letter at the back of this bill.

### What do to next

**You need to complete the standing order mandate below and send it to your bank or building society straight away**

**We have recalculated your instalments**

**Your first payment will be  
£20.22  
on 22 May 2015**

**Then there will be 11 further monthly payments of  
£20.17  
on or after the 22nd of each month.**

- ▶ You can find details of your previous payments on the back.

If you do not pay your instalments when they are due, you will need to pay the outstanding balance in full.

## Standing order mandate

### Instruction to bank

Please pay

- £20.22 on 22 May 2015
- £20.17 on the 22nd of each month
- Last payment: 22 April 2016

To the following account

- The Big Bank Plc
- Sort code: 01-02-12
- Account number: 5554321
- Account name:  
Your Water Supplier PLC
- Customer account number:  
402 392 0000

### 1 Bank or building society

Name
Address

### 2 Your account

Account Name

Account number

### 3 Signature(s)



Date

This mandate replaces any previous mandate to make payments to Your Water Supplier PLC

## Example invoice

**BSBS**  
Heating and Plumbing

BSBS - Heating and Plumbing  
Westwood Business Park  
Coventry  
CV4 8JQ  
Tel: 07923067362  
Email: [BSBSHeatingandplumbing@hotmail.com](mailto:BSBSHeatingandplumbing@hotmail.com)

**TO**

J K Singh  
301 Hawkins Road  
Kings Head  
Coventry  
CV2 2PL

Date: 9<sup>th</sup> May 2015

Quantity	Description	Unit Price £	Total
1	Service fire to fix fault	60.00	60.00

Sub Total: £60.00

Total: £60.00

Payments can be made by cash or cheque to: BSBS - Heating and Plumbing.

With thanks

*B. Stoddart*

Brian Stoddart  
BSBS - Heating and Plumbing



### Task 3 – Financial terms and documents quiz

Explain to the learners that they are going to work in groups to develop a quiz that tests other learners' knowledge of financial terms & definitions (from Task 1) and financial documents (from Task 2).

Ask the learners to work in small groups to create ten quiz cards to test another group's knowledge.

Show the learners the example quiz card to help them the complete the task.

#### Example quiz card

**Question:**

**On which document would you find information about your gross pay?**

**Answer:**

**Wage slip**

#### Quiz card template (to photocopy)

**Question:**

**Answer:**

Number the groups and pair the groups accordingly (eg. 1 + 5, 2 + 6 etc.).

Ask each group to take the test developed by their partner group.

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