



Summer Independent Learning

BTEC

BUSINESS

Extended Certificate

Complete all tasks set over the summer ready for your first lesson.

This booklet can be completed either electronically or by hand.

Unit 3: Personal and Business Finance

Learning Aim A: Understand the importance of managing personal finance

Complete all activities.

1. What is money? Can you write a definition of money?

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2. How might personal attitudes to money differ and how might this change over time?

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3. There are different life stages that people go through which influences their money needs. Complete the table below for each stage.

Life stage	Financial needs
Childhood	
Adolescence	
Young adult	
Middle age	
Old age	

4. One of the functions of money is as a means of exchange. This means that you can use it to pay for things. There are however a number of different methods of payment you can use.

Complete the table below in relation to these payment methods.

Method of payment	Explanation/features	Advantages	Disadvantages
Cash			
Debit card			
Credit card			
Cheque			
Electronic transfer			
Direct debit			
Standing order			
Pre-paid card			
Contactless card			
Charge card			
Store card			
Mobile banking			
BACS – Bankers Automated Clearing Service			
CHAPS – Clearing House Automated Payment Systems			

Assessment Practice

1. Give one advantage for an individual of using electronic transfer as a method of payment (2 marks)

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2. Give 2 features of an ISA (2 marks)

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3. James has a full time job earning a monthly salary. He lives near a busy main road. He has a cat which is 18 months old. The cat was purchased as a kitten at a cost of £450. The cat is quite adventurous and goes out for long periods of the day.

James has researched four different pet insurance providers. This information is shown below.

Insurance provider	Annual cost	Vet fees cover	Loss / stolen cover	Excess*
Ashridge	£39	Up to £2 000 per condition	None	£75
Shirevale	£68	Up to £1 000 per condition	Up to £400	£60
The Royal Insurance	£95	Up to £2 000 per condition	Up to £550	£50
Westshire	£127	Up to £4 000 per condition	Up to £800	£25

Excess is the amount a pet owner pays towards any insurance claim made.

Evaluate which pet insurance provider would be the most suitable for James. (12 marks)

Suggested structure.

Firstly identify the 2 insurance providers you feel are not appropriate and explain why.

Then compare the 2 remaining pet insurance providers e.g. has an excess of... this means that, however in comparison provider has an excess of which will benefit James because... . Then look at the other areas of cover and cost, comparing them. Finally come to a conclusion i.e. overall in my opinion James should choose ... because

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Learning Aim B – Explore the personal finance sector

Complete all activities

Financial institutions are organisations that offer financial services to individuals and/or businesses. These services include the ability to deposit or withdraw money, obtain credit and make investments, as well as offering advice on matters of personal and business finance.

1. Research the following types of financial institutions.

Type of organisation	Explanation
Bank of England	
National Savings and Investments	
Pawnbrokers	
Pension companies	
Payday loans	
Building societies	

