



Summer Independent Learning

BTEC

BUSINESS

Diploma (Double)

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	

Personal finance is a complicated matter and it is important to all individuals. There are a number of government-funded and independent organisations which offer guidance and advice to individuals on personal finance.

2. Complete the table below in relation to the advantages and disadvantages of different providers of financial information and guidance.

Provider	Explanation	Advantages	Disadvantages
Citizens Advice			
Independent financial advisor (IFA)			
Money and pensions advice service https://maps.org.uk/en#			
Debt counsellors			
Individual Voluntary Arrangements (IVA's) - bankruptcy			

1. Explain **two** disadvantages for the consumer of using a payday loan to pay for a holiday. (4 marks)

Suggested structure:

One disadvantage of using a pay day loan to pay for a holiday is.....This is a disadvantage because...

Another disadvantage of using a pay day loan to pay for a holiday is.....This is also a disadvantage because...

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2. Discuss the advantages and disadvantages to the consumer of using price comparison websites. (6 marks)

Suggested structure:

One advantage of using price comparison websites is..... however a disadvantage is..... Another advantage of using price comparison websites is..... however a further disadvantage is, because

[illegible]

Learning aim B- Investigate the feasibility of a proposed event

Research Task

You will be required to research a variety of events, and use this to develop a detailed feasibility plan for a business or social event of your choice.

You will need to gather comprehensive research evidence into a variety of different types of events of differing sizes, and the reasons for their success

Complete all activities for all three events

1.Event: Glastonbury (or Leeds) Festival

Explain what it is.

Where it is.

What is included.

How long it is on for.

Include photos and all research data

(website addresses)

Why is it successful.?

E.G The advantages of this event is that it provides

What are the success factors?

E.G So a factor in order to have a strong, thriving event is to have plenty of facilities,

2. Wedding

Explain what it is.

Where it is.

What is included.

How long it is on for.

Include photos and all research data

(website addresses)

Why is it successful.?

E.G The advantages of this event is that it provides

What are the success factors?

E.G So a factor in order to have a strong, thriving event is to have plenty of facilities

3. Trade Show

Explain what it is.

Where it is.

What is included.

How long it is on for.

Include photos and all research data
(website addresses)

Why is it successful.?

E.G The advantages of this event is that it provides

What are the success factors?

E.G So a factor in order to have a strong, thriving event is to have plenty of facilities

What are the differences between them what resources would each need?

When you are planning your event, it is really important to make sure that it is feasible.

This means that is likely or probable to succeed.

Making sure that an event is feasible requires organisers to think about;

The idea behind the event

Its purpose

Aims and objectives

TASK

Outline the constraints that may stop the event going ahead and the success factors

What can you do to overcome any constraints?

Purpose of the Event.

The purpose of the event influences how and when the event is held and also the amount of income generated from the event.

Some of the reasons events many take place include;

- Profit making
- Charity fundraising
- General awareness
- Networking amongst professional or other groups
- Sharing of good practice or ideas
- Promotion, discount or selling opportunities
- Training for staff
- Reward for staff
- Stakeholder support

Define

Stakeholder

Networking

Aims and Objectives

The purpose of the event also influences the aims and objectives of that event

Aims and objectives are central to most aspects of business as they are the driving force behind what happens with the business

Aims are the overall goals

Objectives are the list of plans that help achieve those aim

Aims and objectives should be SMART (Specific, measurable, achievable, realistic and time constrained)

TASK

Outline your SMART aims and objectives for your event

Why is it important to have objectives for your event?

Constraints TASK

Constraints are the boundaries within which the event needs to be held. Some of the restrictions on events organisation may include;

- Budget
- Venue
- Human Resources
- Physical resources

1. Research each of the above and give an explanation related to the events you have done earlier

2. Why might each of these restrict events organisation?

Success factors

An event is successful if it achieves what it sets out to do.

If a charity event aims to raise £1000 and achieves this then it has been successful.

Factors of success can include;

- Sales of tickets to exceed 200
- Attendance at the event to be 50 or more people
- Amount of money raised for charity after expenses in £500
- Costs and income are equal (known as breakeven)
- 500 new followers on Facebook and twitter achieved

Notice that all these goals and targets are SMART

TASK

Now set success factors for the events, from the research that you have gathered earlier

EXAMPLE

Wimbledon is a successful event due to how good there timing is with athletes being managed in an efficient manner making sure they get to things on time to allow the events to run on schedule. This important as matches usually last several hours as it is, so they can't afford to be delayed. These successful factors will help with my event as time management skills will be key in allowing as many people to have a go at our events to make the most profit