

Financial Studies Transition Pack

(Enrichment Qualification)



London Institute of Banking and Finance (LIBF)

Certificate / Diploma in Financial Studies

Transition Pack

Welcome!

First of all welcome to the Business Studies Department and LIBF Financial Studies course. The step up from GCSE to sixth form courses can seem daunting but don't panic, this transition pack is designed to help you prepare for this new course that you are interested in taking in September.

The pack includes an overview of what you will study during the first year of the course, should you join it, together with a series of introductory tasks for you to work through. The tasks are designed to help you get to grips with some of the key terms you will need to know, as well as concepts you will learn about as a student of financial studies.

Financial studies is a popular enrichment qualification in sixth form. It teaches students how best to manage finance in the short, medium and long-term so they become responsible borrowers and sensible savers. It develops an understanding of the wide variety of financial products that individuals may use throughout their lives, be it borrowing products such as mortgages and overdrafts or savings products such as bonds and ISA's. Importantly, the course also teaches students about external factors beyond the control of individuals that can impact finances and financial decision making

The course requires critical thinkers, good organisation skills, and students who are willing to carry out independent study tasks. Financial studies is a life relevant subject; it is a subject that is constantly updating, using up to date studies and issues that affect us in our everyday lives.

To access the financial studies course in September, you will need to complete the tasks set out in this pack and also meet the course entry requirements, which can be found in the sixth form course listing document.



LIBF Certificate / Diploma in Financial Studies

Topics you will study during the first year of the course

Unit 1	Summary of Topics Covered
Financial Capability for the Immediate and Short Term	<p>The Purposes of Money Students are expected to be able to define the purposes of money and outline its key features.</p>
	<p>The Personal Life Cycle. Students need to be able to distinguish between the key stages of the personal life cycle and analyse the effect of key influences on it</p>
	<p>Payment Methods Students need to be able to identify key features of current accounts, distinguish between different types of card payment and critically compare different methods of transferring money.</p>
	<p>Everyday Banking Students must be able to identify the key features of different types of current account and evaluate how people's everyday banking needs change as they pass through the various life stages.</p>
	<p>Savings Products Students must be able to differentiate between products for savings and evaluate how people's savings needs change as they pass through the various life stages.</p>
	<p>Borrowing Products Students need to be able to outline the key features of borrowing products and evaluate how people's borrowing needs change as they pass through the various life stages.</p>
	<p>Providers Students are expected to be able to differentiate between different types of financial services provider and critically compare the communication methods used by financial services provider</p>
	<p>Consumer Protection Students are expected to be able to explain the role and limitations of the Prudential Regulation Authority (PRA) the Financial Conduct Authority (FCA), the Financial Ombudsman Service, the Financial Services Compensation Scheme and the Competition and Markets Authority.</p>
	<p>Budgets and Forecasts Students need to be able to identify the key elements of a budget, interpret a cash flow forecast for short-term financing, describe some of the key components of the cost of living in Britain and evaluate how the way people manage money changes as they move through the various life stages.</p>
	<p>Dealing with Unexpected Events Students are expected to be able to provide solutions for dealing with unforeseen events that impact on personal finances.</p>
	<p>Dealing with Debt Students must be able to provide solutions for dealing with debt, identify organisations that can help with debt problems and describe debt management options.</p>
	<p>Earnings Students need to be able to interpret legislative, regulatory and organisational requirements and procedures relevant to earnings and understand the key features of income tax and National Insurance</p>



Unit 2	Summary of Topics Covered
Financial Capability for the Medium and Long Term	<p>Needs, Wants and Aspirations Students are expected to be able to identify the key features of needs, wants and aspirations, and identify how needs, wants and aspirations can be satisfied through informed financial decision-making.</p>
	<p>Savings and Investments Students need to be able to identify the key features of medium- and long-term savings accounts, differentiate between investment products and evaluate the relationship between financial risk and reward.</p>
	<p>Borrowing Products Students need to be able to differentiate between the financial services products for borrowing, identify the key features of interest and charges on borrowing and explain the key features of Islamic banking.</p>
	<p>Dealing with long-term risks Students must be able to analyse the impact of different attitudes to risk on financial planning and explain risk and reward in terms of impact, severity and probability.</p>
	<p>Financial Planning Students must be able to develop a budgetary plan to achieve a medium- or long-term aspiration and explain the importance of the plan</p>
	<p>External Factors Impacting Personal Finances Students need to be able to evaluate the impact of external factors upon personal finances</p>
	<p>Dealing with Unforeseen Events Students are expected to be able to explain how foreseen and unforeseen influences have an impact on financial budgeting, explain the need for flexibility in a financial plan and analyse the consequences of an individual's financial footprint on future financing.</p>
	<p>Ethics Students need to be able to evaluate the extent to which the ethical policies of financial services providers go above and beyond what is required of them by law.</p>
	<p>Sources of Information and Advice Students need to be able to compare and contrast the different types of advice available when choosing financial services products</p>
	<p>Making an Informed Choice Students are expected to be able to evaluate a situation and make justified recommendations between a number of financial solutions.</p>



Financial Studies Preparatory Tasks

Please complete each of the tasks set out in the rest of this transition pack and bring your answers and/or findings with you to the first lesson in September if you join the course.

Task 1: Key Terms

As with all subjects, financial studies will introduce you to lots of key terms, many of which are likely to be new to you. In the table below, some of the key terms introduced during the first year of the course are listed. Find definitions of each of the terms. Once you have done this create a glossary containing the terms and their meanings.

The glossary you create can be a reference document to be used later, so make sure it is well presented and clearly set out.

Current Account	Consumer Price Index	Budget
Inflation	Income Tax	Creditor
Assets	Tax Year	Debtor
Mortgage	P45	Economic Boom
Interest Rate	P60	Bankruptcy
Recession	Financial Footprint	Pension
Standing Order	Payday loans	National Insurance
AER	Store card	Tax Return
APR	Premium Bond	Personal Allowance
Direct Debit	Chancellor of the Exchequer	Personal Savings Allowance
Overdraft	Credit Crunch	Notice Account

Task 2: Personal Finance- Earnings

The financial studies course requires students to be able to research topics and use the findings of the research to explain issues clearly, yet concisely. This next task will help you develop your ability to do this.

In paragraphs of no more than 10 lines, produce an answer to each of the following questions. To answer each question you may need to first do some research around the concept in the question that is highlighted in bold

- How might a decrease in the UK **personal allowance** affect people in employment?
- Explain two arguments for the introduction of the **UK living wage**.
- Explain two arguments against the introduction of the **UK living wage**.



d) How do the **Work Time Regulations 1998** protect people who have jobs in the UK?

e) What will be higher for those in employment, their **gross pay** or their **net pay**? Explain your answer.

Task 3: Personal Finance- Expenditure

Financial studies requires students to be able to provide lots of examples of key financial terms and concepts. This next task will start to develop your ability to do this.

Carry out some research into the following key terms:

- **Mandatory Expenditure**
- **Essential Expenditure**
- **Discretionary Expenditure**

Once you understand the three terms, create a table like the one below and in each column provide as many examples of each type of expenditure as possible.

Examples of Mandatory Expenditure	Examples of Essential Expenditure	Examples of Discretionary Expenditure

Task 4: Financial Products

A lot of the financial studies course covers the different financial products that banks, building societies and insurance firms etc provide, as well as the issues associated with using them.

This task will help you start to understand the issues associated with some of the key financial products that students study during the course.

Research the benefits and drawbacks of the following financial products (*make sure you have first read around each product first and have familiarised yourself with them*):

- **Personal Loans**
- **Payday loans**
- **Overdrafts**
- **Hire Purchase Agreements**
- **Credit Cards**

Create either a presentation or leaflet on the benefits and drawbacks individuals typically face from using each of the five products. Please make sure you explain the benefits and drawbacks in full, rather than in bullet point form.



Task 5: Independent Project

Sixth form courses require students to work well independently in order to be successful and financial studies is no different. This final task is designed to help develop your independent learning skills. It requires you to be totally independent in completing a project linked to one of the topics covered during the course.

<p>Step one: Choose a topic area.</p>	<p>The course requires students to understand the different external factors that can affect the personal finances of individuals. External factors are key influences that are outside the control of an individual.</p> <p>Four external factors that can impact the finances of an individual are listed below. Choose one of them:</p> <p style="text-align: center;">Inflation Interest Rates Taxation Recession</p>
<p>Step two: Do some background reading and research around your chosen external factor</p>	<ul style="list-style-type: none"> ● Use of variety of websites to do some reading and research around the chosen external factor to help you gain an understanding of it. ● Make sure the sites you use are appropriate (<i>there's no point using sites and articles that filled with loads of technical terms that you don't understand</i>) ● YouTube can also be a good source for clips.
<p>Step three: Set yourself a specific question</p>	<p>Once you have carried out your research, think of one specific question linked to the chosen factor you have researched. This question will be the focus of your project and help you narrow it down and make it achievable.</p> <p>Here are some examples of questions (<i>you don't have to use these</i>):</p> <ul style="list-style-type: none"> ● How has inflation changed overtime in the UK? ● What causes inflation? ● In what ways does an increase in interest rates affect people? ● What are the different taxes that people in the UK pay? ● What happens during a recession?
<p>Step four: Collect evidence and information</p>	<p>Carry out some more reading and research. This should be some more focused reading and research to help you answer the specific question you have come up with.</p>
<p>Step five: Produce a project</p>	<p>Present the answer to your question in a style of your choice. There are so many possibilities! For instance you could present your findings and the answer to your question in the form of any of the following:</p> <ul style="list-style-type: none"> ● A newspaper or magazine article ● A presentation ● A fact file ● A blog (<i>if you're technically minded!</i>) ● A first person account of your findings



Good Website to use for Financial Studies

<https://www.moneyadvice.service.org.uk/en>

<https://www.moneysavingexpert.com/>

<https://www.which.co.uk/>

<https://www.bbc.co.uk>

<https://moneyfacts.co.uk>

Thank you for working through the tasks in this transition pack. Doing so will undoubtedly help you make a good start to the financial studies courses.

Please bring all of the work you have completed to your first financial studies lesson. We look forward to seeing you in September and helping you develop your knowledge of finance.

