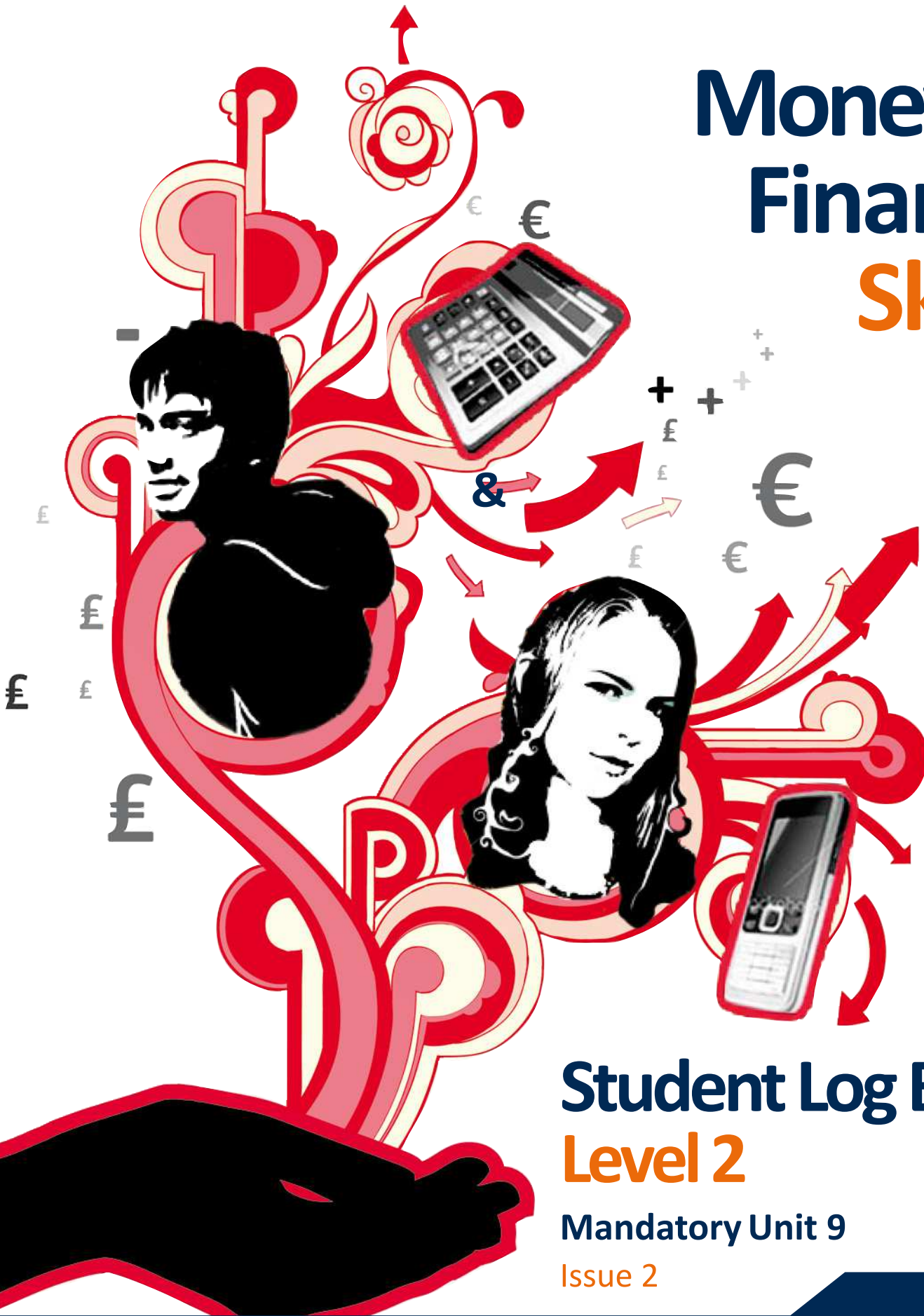


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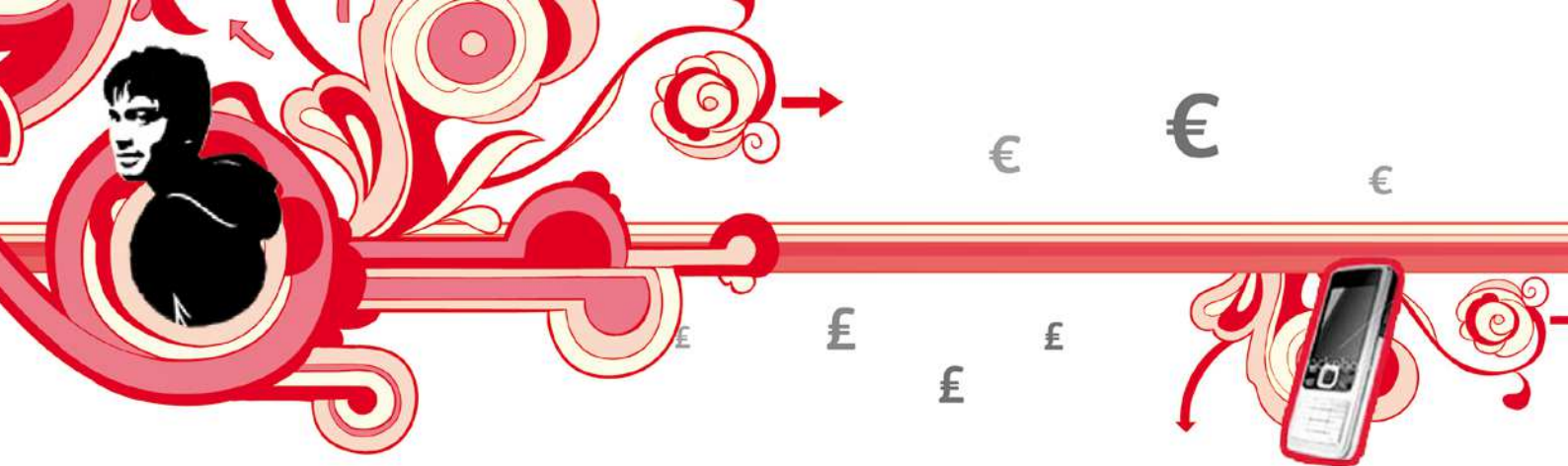
# Money & Finance Skills



## Student Log Book Level 2

Mandatory Unit 9

Issue 2



## Unit 9 - Borrowing Money and Managing Risk

### 9.1 Activity 1

Read the following Nationwide Education Fact sheets - *Money Saving Tips* (FB9), *Tips for Managing Debt* (FB10), *Types of Debt* (FC1) and *Risk and Return* (FC3), and Work sheets *Saving and Borrowing* (WB4) and *Money Throughout our Lives* (WB5).

**9.1.1** Prepare PowerPoint slides for a presentation to students or write an article for the school magazine to help their understanding of sensible borrowing, the risks in borrowing money and how to manage debt.

You will need to include:

- a) a comparison of **two** ways to borrow money for an expensive item such as a motorcycle. This must include information about:
  - the total cost of borrowing
  - the amount of the repayments
  - the time needed to pay back the money. (AC 1.1)
- b) describe what can happen if the money is not paid back? Give **four** things that can happen (AC 1.2)
- c) an explanation of the differences between two different types of debt. You may give examples to support your explanation (AC 1.3)
- d) examples of **four** different ways of avoiding debt. (AC 1.4)

**!Remember to include your presentation or article with your completed Log Book.**

### 9.2 Insurance

Read Nationwide Education Work sheet – *Insurance* (WC1) and answer the questions below. (AC 2.1)

**Use the blank pages at the end of this unit if you run out of space.**

**9.2.1 What is insurance and how does it work?**

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**9.2.2 Give three examples of situations where insurance might end up saving you a lot of money.**

a	
b	
c	

**9.2.3 Describe what an Extended Warranty is. What is the difference between a guarantee and an Extended Warranty?**

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**9.2.4 What type of insurance pays money to a person's family if they die?**

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**9.2.5 Describe the John Darwin case.**

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**9.2.6 Describe the two main types of insurance for the home.**

a	
b	

**9.2.7 For what types of events does travel insurance cover you?**

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**9.2.8 Which insurance is compulsory for drivers and what does it cover?**

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**9.2.9 If the NHS provides a free health service, why might some people choose to take out private medical insurance?**

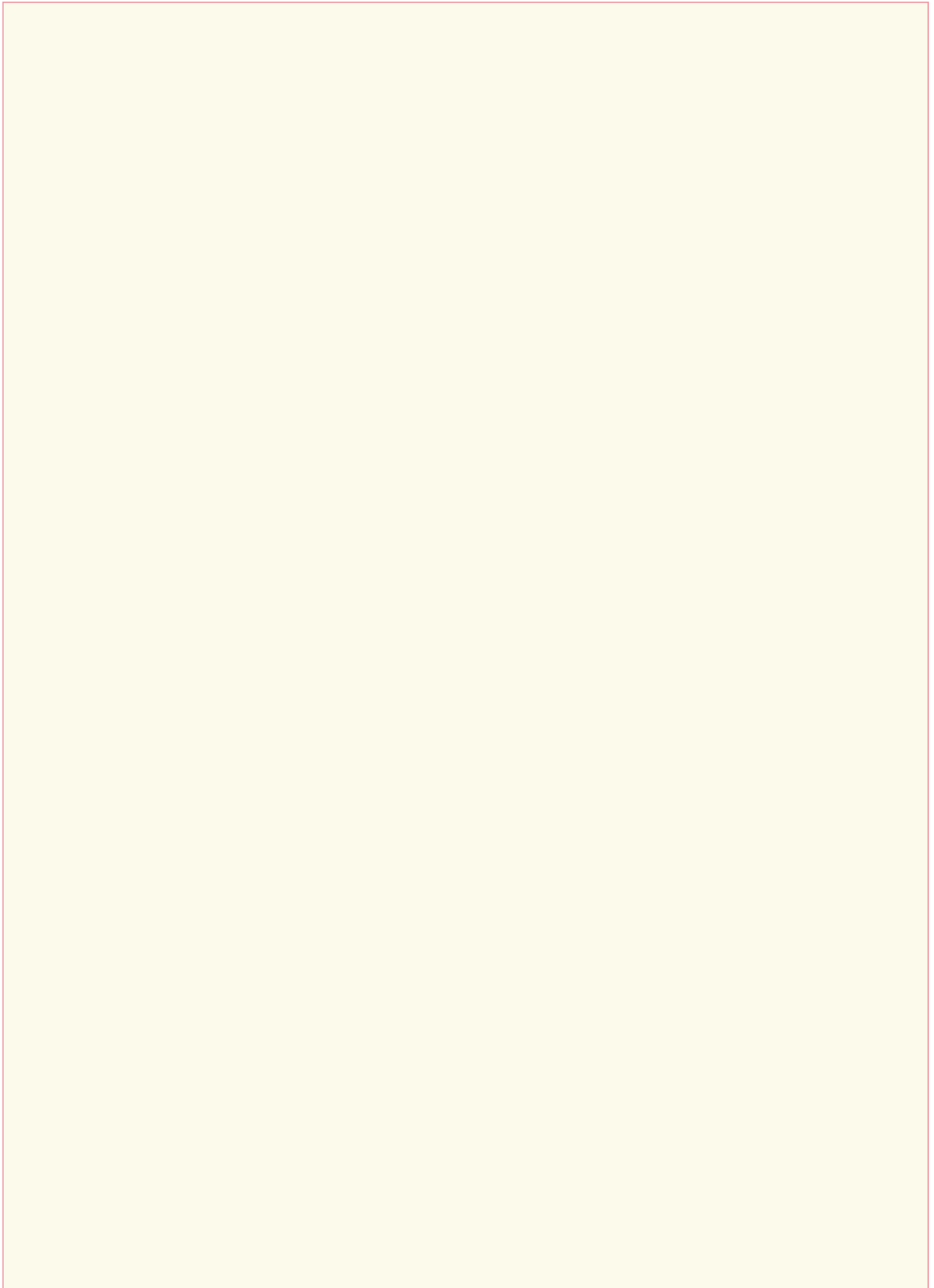
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**9.2.10 Insurance is really about protecting against the risk of something happening that might end up costing you large amounts of money.**

Give three examples of situations where you might lose a lot of money by choosing NOT to take out insurance. Describe what might happen.

a	
b	
c	

**Use this page to continue your assignment. Please include the number of the question or activity you are answering.**



Use this page to continue your assignment. Please include the number of the question or activity you are answering.

