

FinED Fiji



A Manual for Teachers Form 3



PFIP | Pacific Financial
Inclusion Programme



Empowered lives.
Resilient nations.

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1.0 Teachers' Notes



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1.0 Teachers' Notes

1.1 Background to Fiji Financial Education Curriculum Development Project (FinED Fiji)

Education Sector Strategic Development Plan 2012 - 2014

The Ministry of Education (MoE) is responsible for the design, implementation and evaluation of educational legislation, policies and programmes in Fiji.

The Ministry's Vision for Education is:

"Quality Education for Change, Peace and Progress."

The Ministry's Mission is:

"To provide a holistic and empowering education system that enables all children to realize and appreciate fully their inheritance and potential contributing to peaceful and sustainable national development."

The Guiding Principles in the Education Sector Strategic Development Plan 2012 - 2014 emphasise the need for students to be:

- Motivated and trained to be lifelong learners
- Nurtured in order to live and fully participate in the global village
- Better prepared for the world of work where rapid change is inevitable.

Financial Education enables students to develop important life skills which contribute to the Guiding Principles outlined above. While there is no specific policy on Financial Education, there is an understanding of the role it plays in the goals and aspirations the Fiji government has for its people. School-based Financial Education has the potential to positively impact the well-being of families and the wider community of the people of Fiji.

Money Pacific Goals 2020

In 2009, the Money Pacific Working Group (formerly the Coombs Working Party), comprising of central bank governors, Financial Education practitioners and donors, formulated four broad regional goals to achieve the aim of inculcating the region with strong Financial Literacy competency. The goals were entitled "**The Money Pacific Goals 2020**" and are as follows:

"In each Pacific Island nation by 2020, through the combined actions of public and private sectors, it is intended that:

- **All school children to receive Financial Education through core curricula**
- All adults to have access to Financial Education
- Simple and transparent consumer protection to be in place
- To halve the number of households without access to basic financial services¹."

¹ Terms of Reference – Integration of Financial Education in the Fiji Primary and Secondary School Curriculum p. 1.

These goals were subsequently endorsed by the **2009 Forum Economic Ministers Meeting in Rarotonga** and adopted by the **South Pacific Central Bank Governors Meeting in Honiara** the same year.

National Microfinance Workshop

In accordance with the Money Pacific Goals 2020, the Reserve Bank of Fiji, in partnership with the Pacific Financial Inclusion Programme (PFIP) and national stakeholders, organised the National Microfinance Workshop (November 2009), to determine priority actions towards a medium-term financial inclusion strategy for Fiji.

Stakeholders at the workshop agreed that this has to be a nationally coordinated effort that is supported by a variety of financial services providers offering a broad range of relevant, accessible, affordable and cost-effective financial services.

To achieve this goal, priority actions would focus on a number of strategic areas of intervention. Suggested components that could lead to the development of a financially literate community include:

- **The introduction of Financial Competency programmes in the school curriculum at all levels through the MoE**
- Building households' Financial Competency through better coordination of current literacy efforts and increased public and private support of adult Financial Literacy training and the greater use of awareness programs (e.g. a green ribbon campaign or national Financial Literacy week) and the media
- Establishing a baseline dataset for the Financial Competency of Fijian households in order to measure the impact of Financial Literacy efforts.²

In order to coordinate and give impetus to the action agenda, a National Financial Inclusion Taskforce (NFIT) was established and chaired by the Governor of the Reserve Bank. Three Working Groups, each chaired by a member of the NFIT, were also established to drive the implementation of the strategic areas.

At the first meeting of the Working Group on Financial Literacy, three priority actions were agreed upon, or substantive work begun, in 2010. These are:

- Preparation of a national Financial Competency building strategy
- Implementation of adult Financial Literacy programmes
- **Integration and strengthening of Financial Education into core school curriculum at primary and secondary school levels.**

FinED Fiji was founded to realise the priority action: **“Integration and strengthening of Financial Education into core school curriculum at primary and secondary school levels”**. The project is funded by the Australian Government's Bilateral Aid Program to Fiji (AusAID), and is managed by the MoE, in conjunction with the PFIP. The Technical Advisor for FinED Fiji is the Young Enterprise Trust, a New Zealand organisation that delivers Financial and Enterprise Education in schools.

² Terms of Reference – Integration of Financial Education in the Fiji Primary and Secondary School Curriculum pp. 1-3.

Phase One FinED Fiji (December 2010 – July 2011) has included the following activities:

1. The development of a Financial Education Framework for Classes 1-8 and Forms 3-7.
2. The setting up of a Professional Development Group (PDG) which includes membership from the MoE, South Pacific Board for Educational Assessment, PFIP and the Technical Advisors.
3. The appointment of a National Task Manager (NTM), Abigail Chang.
4. An environmental scan of current Financial Education material available in the school and commercial sectors.
5. Streamlining of existing Financial Education materials.
6. Preparation of new materials for Class 3 and Class 4 (primary).
7. Preparation of supporting materials for a Form Four Assessment Task for secondary schools.
8. Identification of Regional Financial Champion Teachers (RCT's) for the project.
9. Professional Development for RCT's on the Financial Education Framework and resources prepared for Phase One class levels.

Phases Two – Four will span August 2011 – December 2012

Phase Two – Four will include the following activities:

1. Preparation of new materials for Classes 5, 6, 7, 8, 1 and 2 (primary).
2. Streamlining of materials for Form Three (secondary).
3. Preparation of assessment tasks for Forms Five and Six (secondary).
4. Professional Development for RFCT's on the Phases Two – Four class levels.
5. Professional Development for RFCT's on the Forms Three, Five and Six.
6. Inserting Financial Education training into tertiary teacher training courses.
7. Monitoring and evaluation.

1.2 Why Financial Education?³

Financial Education teaches the management of personal finances and investment given a person's personal circumstances. Financial Education will result in a future generation of financially competent young men and women leaving schools who are able to make informed decisions and to sufficiently manage their personal finances and investments vis-à-vis their own personal circumstances, whilst contributing positively to their communities, the economy and the country.⁴

Acquiring Financial Competence involves more than development of mathematics skills that are traditionally included in the school curriculum, such as recognition of coins and notes, and calculations involving sums of cash. Personal Financial Education promotes social inclusion and helps break the cycle of financial exclusion. Being financially excluded means being cut off from the services and benefits of the financial services industry.

Those who are financially excluded become adept at budgeting by saving bits of money in jars or envelopes. But not only does money stored like this not accrue interest, it is also vulnerable to theft.

Financially excluded households are not able to give children the experience of managing money that others take for granted. There is evidence to suggest that such children go on to become financially excluded themselves. Certainly, "children living in poorer families learn about and experience the economic world differently from their peers in other families."⁵ This cycle of exclusion needs to be broken.

If future generations are to become financially competent, it is imperative that Financial Education begins early. This means starting Financial Education as soon as students begin their primary education, building on learning throughout the primary and secondary years of schooling. Not all students complete secondary education, so Financial Education learning at class levels 1-8 and forms 3-7 in the Fiji educational system will be fundamental to realising these goals.

³ Ambassador Filipe Bole, Minister for Education 2011, National Heritage, Culture & Arts and Youth & Sports.

⁴ Money Counts – Developing Financial Capability in the Primary School – p. 7 Financial Services Authority (2000).

⁵ Shropshire, J. and Middleton, S. (1999). *Small Expectations: Learning to be Poor* (York: The Joseph Rowntree Foundation).

1.3 What is in this manual?

Resources for Form Three

Teachers' Resource Manual

The Teachers' Resource Manual for Form Three includes:

- Teachers' notes
- Financial Education Framework
- Teaching approaches for Financial Education
- Financial Education lessons
- Financial Education games
- Glossary
- CD – soft copy of all resources provided in the Teachers' Resource Manual.

Resources

The activities provided have an 'integrated approach' to learning for students, i.e. there is not necessarily **one** activity for each of the learning outcomes. The activities engage students in Financial Education learning that often leads to more than one learning outcome, and in many instances integrates and links several curriculum areas (Commercial Studies, English and Mathematics). This approach is endorsed both in the current Fiji curriculum prescriptions, and new draft syllabus (The Fiji Islands National Curriculum Framework).

There are a number of Financial Education learning outcomes within the Personal Finance strand of the Revised Commercial Studies prescription. Whilst there are selected learning outcomes and related lessons that have been provided in this Manual at the Form Three level, the Financial Education activities relating to the Common Assessment Task (CAT) are the Ministry-approved focus for FinED Fiji's engagement at this class level. All other activities provided are optional and are provided as materials for the discretionary use of teachers to support the current Form Three Commercial Studies materials.

The lessons are not designed to cover all the learning outcomes, as teachers will want some flexibility in how they deliver a number of outcomes. It will be important to understand the topic and the lesson activities before undertaking delivery in the classroom. It will also be important to check how the students will record their learning in a cost-effective manner. It may be that resources are provided to each class member. Alternatively, resource worksheets may be photocopied and used on multiple occasions. Another cost-effective way is for teachers to prepare the material in OHT format for screening to a whole class. Financial Education is not designed to be an expensive teaching exercise.

Each topic takes the following approach:

- An overview of student learning for the activity with suggested timeframe
- Resources provided, if required
- The financial learning outcomes for the topic
- Vocabulary students will engage with
- Key concepts
- Teaching and learning sequence

- Assessment activities.

Assessment activities

Prescriptive testing of Financial Education learning is not advocated. Lessons in the series have practical assessment activities that will support the teacher in tracking students' understanding. Checking the accuracy of students' recording in the financial tools (resource sheets, budgets etc) will provide valuable information and assist the teacher in providing effective feedback to students. As the lesson series provide extensive discussion and questioning activities, it is recommended that teachers keep anecdotal notes during the Financial Education learning sessions.

Financial Education aims to bring about changes in behaviour that will have a positive effect on students' management of their personal finances. Students will complete a pre-survey (prior to the commencement of the Financial Education learning), in which they will be asked a range of questions on their knowledge, values and attitudes regarding money management. The survey will be administered again at the completion of the year. The information from the surveys will be used in the monitoring and assessment phases of the project.

Financial Education Games

There will be two Financial Education Games in the resource package at Form Three level. These support the Financial Education learning in the lessons, as well as assisting students to:

- become empowered to make informed judgments and decisions
- gain and apply relevant financial knowledge, skills and values
- become confident with key financial terms and concepts
- recognise financial consequences
- select and use financial tools interactively to achieve financial goals
- understand the importance of time and commitment for achieving financial goals.

These are some of the competency indicators of the Financial Education Framework.

Documents that require printing and/or photocopying are provided as soft copies on the Teachers' Resource Manual CD.

2.0 Financial Education Framework



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2.0 Financial Education Framework

The Financial Education Framework for Classes 1-8 was developed in December 2010 by senior members of the Curriculum Advisory Service (CAS) with assistance from the Technical Advisors. Key components include:

- Common understanding (definition) of what Financial Education is
- Competency indicators
- Concepts and conceptual financial understandings for the competency indicators
- Financial Education Framework diagram
- Financial Education strands, sub-strands and learning outcomes.

2.1 Description and Financial Competencies

Common understanding of 'What Financial Education is'.

Financial Education is learning directed towards the development of Financial Competency.

Competency indicators:

Through Financial Education students will:

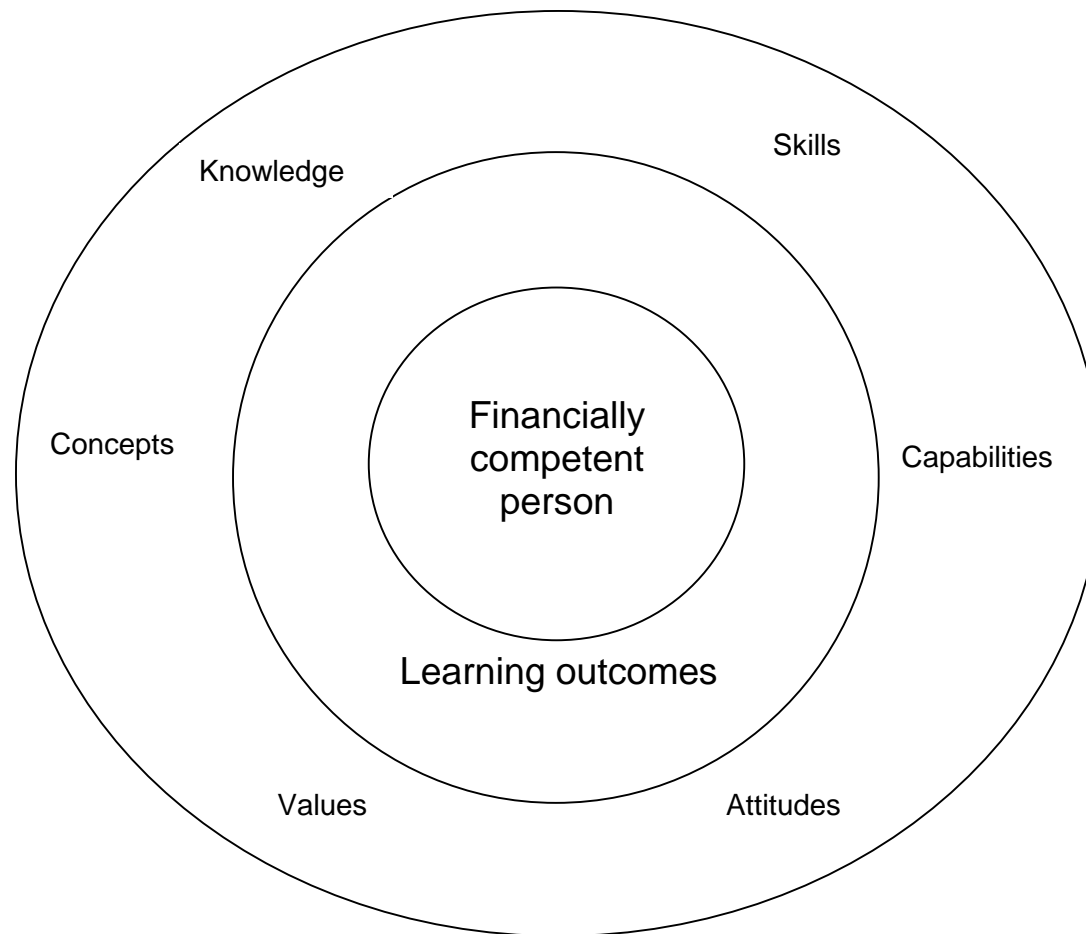
- Become empowered to make informed judgments and decisions
- Gain and apply relevant financial knowledge, skills and values
- Be confident with key financial terms and concepts
- Recognise financial consequences
- Recognise the financial value of cultural wealth
- Select and use financial tools interactively to achieve financial goals
- Understand the importance of time and commitment for achieving financial goals
- Respond wisely to dynamic personal and economic circumstances
- Work towards building community financial well-being and security
- Set and achieve financial goals appropriate to personal and communal values.

Competency Indicators, Concepts and Conceptual Financial Understandings

Competency Indicators	Concepts	Conceptual Financial Understandings
Become empowered to make informed judgments and decisions	empowered informed judgments decisions	<ul style="list-style-type: none"> • People need financial knowledge, skills and values to be empowered to make informed financial decisions • Financially competent people are financially empowered people • People bring different values, knowledge and personal judgments to financial decisions • Financially competent people make financial decisions from a range of choices
Gain and apply relevant financial knowledge, skills and values	apply financial knowledge financial skills financial values	<ul style="list-style-type: none"> • Financial knowledge, skills and values are gained through real life experiences and in contexts that are real to students • Financial knowledge, skills and values are gained when students apply these and experience the consequences of their actions
Be confident with key financial terms and concepts	financial terms financial concepts	<ul style="list-style-type: none"> • Financial concepts frame peoples' thinking, helping them to make empowered and informed financial decisions • Financial concepts use terms and language that are specific to the discipline of money and finance
Recognise financial consequences	financial consequences (benefits and risks)	<ul style="list-style-type: none"> • Financial opportunities have benefits and risks, and people explore these before making decisions • Good financial decisions bring about the most benefits relative to the risks
Recognise the financial value of cultural wealth	financial value cultural wealth	<ul style="list-style-type: none"> • A nation's place, heritage and culture is unique, and people place a value on this uniqueness • People from other places pay money for these experiences

Competency Indicators	Concepts	Conceptual Financial Understandings
Select and use financial tools interactively to achieve financial goals	financial tools financial goals	<ul style="list-style-type: none"> People use financial tools to help them make financial decisions to achieve financial goals Financial tools assist people to think critically, helping them bring together financial knowledge and values to make an informed decision Financial tools might include a budget, accounting record such as a bank statement, cash book and balance sheet, savings calculator, interest calculator etc
Understand the importance of time and commitment for achieving financial goals	time commitment financial goals	<ul style="list-style-type: none"> Gaining financial knowledge and developing financial skills takes time and commitment in a wide range of financial settings Personal financial goals guide thinking and decision making. Achieving a financial goal requires time, commitment, knowledge and skill
Respond wisely to dynamic personal and economic circumstances	personal circumstances economic circumstances	<ul style="list-style-type: none"> People are astute, active and self-motivated to improve personal, economic circumstances People are astute, active and self-motivated to improve the economic circumstances of their nation
Work towards building community financial well-being and security	community financial well-being financial security	<ul style="list-style-type: none"> Good community financial decisions lead to community financial well-being and community security Financially competent people gain personal and community financial security
Set and achieve financial goals appropriate to personal and communal values	financial goals personal values communal values	<ul style="list-style-type: none"> Personal financial goals reflect personal and communal values Communal values shape the critical thinking people engage in when setting financial goals

Framework Diagram



2.2 Primary Curriculum

Financial strands and sub-strands

The FinED Fiji Financial Education Curriculum Framework is organised in three strands:

- Managing Money
- Income and Wealth
- Planning Ahead.

Within the three strands there are sub-strands. These are outlined below, with some examples of the Financial Education concepts covered.

Strand: Managing Money

Sub-strands:

Money

What money is, needs and wants, prioritising, banking, security, financial transactions e.g. barter.

Spending and budgeting

Budgeting, spending, discounts, financial obligations, financial record-keeping e.g. bank statements.

Saving

Savings options, short-term, medium-term and long-term goals, savings products.

Credit

Credit, debt, borrowing, interest, hire purchase, layby

Strand: Income and wealth

Sub-strands:

Income

Income and income generation, tax, remittances.

Wealth creation

Assets and liabilities

Strand – Planning ahead

Sub-strands

Financial planning

Financial goals, investment, wills, inflation

Financial risk

Financial obligations, managing risk (insurance)

Time, life-style and well-being

Times and deadlines

Financial Education strands, sub-strands and learning outcomes for Classes 1-8Curriculum links: **Maths and English** **Maths/English/Social Studies and Social Sciences**

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Managing Money	Money	<ul style="list-style-type: none"> Demonstrate an understanding of the use of 5c - \$1 coins for simple financial transactions 	<ul style="list-style-type: none"> Demonstrate an understanding of the use of coins and notes for financial transactions up to the value of \$20 	<ul style="list-style-type: none"> Demonstrate an understanding of the use of coins and notes for financial transactions up to the value of \$50 	<ul style="list-style-type: none"> Demonstrate an understanding of the use of coins and notes in financial transactions up to the value of \$100
	<i>Money is the medium we use to pay for transactions</i>	<ul style="list-style-type: none"> Give examples of using money for different purposes 	<ul style="list-style-type: none"> Give examples of the different ways of paying for things e.g. barter, cash, layby, hire purchase 	<ul style="list-style-type: none"> Give examples of the value of Fiji's currency in relation to other currencies 	<ul style="list-style-type: none"> Demonstrate ability to recognise and calculate the value of Fiji's currency in relation to other currencies
	<i>Through price tickets, money is used to value the goods and services people need and want</i>	<ul style="list-style-type: none"> Explain that to withdraw money from the bank we need to have saved the money first 	<ul style="list-style-type: none"> Explain the different uses of money – paying bills, school fees, church obligations etc 	<ul style="list-style-type: none"> Explain the tangible value of goods and services e.g. being able to read a transaction receipt 	<ul style="list-style-type: none"> Explain the concepts of simple and compound interest
		<ul style="list-style-type: none"> Demonstrate ability to read and understand simple transaction receipt e.g. bus fare 	<ul style="list-style-type: none"> Demonstrate ability to read and understand transaction receipts e.g. bus fare, supermarket 	<ul style="list-style-type: none"> Demonstrate ability to read and understand more complex transaction receipts e.g. passbook, TMO 	<ul style="list-style-type: none"> Give examples of when interest is incurred e.g. hire purchase, money lenders

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Managing Money	Spending and budgeting	<ul style="list-style-type: none"> Identify things people 'have to' spend money on (needs e.g. food, housing etc) 	<ul style="list-style-type: none"> Explain how money is used to meet the needs of families 	<ul style="list-style-type: none"> Describe the regular financial commitments families have to make 	<ul style="list-style-type: none"> Write a personal or family budget and use financial tools and records to monitor
	Managing money is about getting the most value from it	<ul style="list-style-type: none"> Demonstrate understanding of how to use a small amount of money for personal needs and wants 	<ul style="list-style-type: none"> Give examples of ways we need to budget for our 'needs' before our 'wants' 	<ul style="list-style-type: none"> Give examples of how to prioritise needs and wants 	
	Making a plan of how we may spend our money (budgeting) helps people to get better value for money		<ul style="list-style-type: none"> Plan a budget for a small activity e.g. birthday party, class meeting/outing 	<ul style="list-style-type: none"> Write a budget for an activity or event, and keep records of the financial transactions 	<ul style="list-style-type: none"> Write a personal or family budget and use financial tools and records to monitor the budget

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Saving	<i>People have choices to consider with their money: spend, spend and save, save</i>	<ul style="list-style-type: none"> Give examples of things you would choose to spend money on 	<ul style="list-style-type: none"> Give examples of and compare spending options for a given amount of money 	<ul style="list-style-type: none"> Identify and evaluate different options for depositing savings 	<ul style="list-style-type: none"> Identify and compare savings products offered by banks and other savings institutions e.g. credit unions
		<ul style="list-style-type: none"> Give examples of things you would need to save for 	<ul style="list-style-type: none"> Give examples of and compare options for saving money 	<ul style="list-style-type: none"> Give examples of the differences between various social groups (cultural, gender, socio-economic) in saving and spending 	
		<ul style="list-style-type: none"> Identify the benefits of saving 	<ul style="list-style-type: none"> Identify the benefits of setting short, medium and long-term savings goals 	<ul style="list-style-type: none"> Give examples of what banks do and what their role is in the community 	<ul style="list-style-type: none"> Give examples of differences between two savings products with regard to risk, interest paid and access to funds
			<ul style="list-style-type: none"> Give examples of getting value for money 		

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Managing Money	Credit <i>Credit is about borrowing money. We can think about debt in terms of good debt and dumb debt</i>	<ul style="list-style-type: none"> • Demonstrate understanding that a borrowed item has value e.g. borrowing a pencil from a friend 	<ul style="list-style-type: none"> • Explain what credit is and give examples of using credit to buy things 	<ul style="list-style-type: none"> • Explain how credit and interest works 	<ul style="list-style-type: none"> • Identify some financial consequences of obtaining credit
		<ul style="list-style-type: none"> • Demonstrate understanding that there are responsibilities on both the borrower and the lender 			<ul style="list-style-type: none"> • Identify some consequences of getting into debt

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Income and wealth	<i>Income is money we earn from working, saving (interest) and investing (interest and profit)</i>	<ul style="list-style-type: none"> • Give examples of ways in which people earn or receive income 	<ul style="list-style-type: none"> • Identify regular and unexpected sources of income 	<ul style="list-style-type: none"> • Identify differences in income for different types of jobs 	<ul style="list-style-type: none"> • Compare income, spending commitments and life-styles at different stages of life
		<ul style="list-style-type: none"> • Identify ways in which having more or less money has consequences on choices 	<ul style="list-style-type: none"> • Give some examples of different types of tax e.g. income tax, VAT 	<ul style="list-style-type: none"> • Explain what taxes are made on income and give some examples of how government uses these taxes 	<ul style="list-style-type: none"> • Compare different taxes e.g. income tax and VAT and their impact on spending and income
					<ul style="list-style-type: none"> • Explain how income contributes to personal, family and community well-being

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Planning Ahead	Financial planning <i>People have future needs and wants that they have to plan for. They use financial planning tools.</i>	<ul style="list-style-type: none"> Give some examples of short-term personal goals e.g. purchase a movie ticket, buy some sweets at the shop 	<ul style="list-style-type: none"> Identify a short-term personal goal (e.g. purchase a book) and write a plan to achieve it through earning and saving money 	<ul style="list-style-type: none"> Identify a medium-term personal goal (achievable in approx 6-12 months) e.g. purchase a toy, a fashion item etc. Write a plan to achieve it through earning and saving money 	<ul style="list-style-type: none"> Identify a long-term personal goal e.g. purchasing e.g. a bike, mobile phone. Write a plan to achieve it through earning and saving money
					<ul style="list-style-type: none"> Give examples of how financial planning can help you achieve your personal and/or family goals

		Learning Outcomes			
Strand	Sub-strand	Class 1 and 2	Class 3 and 4	Class 5 and 6	Class 7 and 8
Planning Ahead	Financial planning <i>People have future needs and wants that they have to plan for. They use financial planning tools.</i>				<ul style="list-style-type: none"> Give examples of how to allocate e.g. a weekly allowance for spending, saving and sharing
Planning Ahead	Financial risk <i>Every financial decision has benefits and costs. Financial risk is a measure of the potential benefits relative to the potential costs.</i>	<ul style="list-style-type: none"> Demonstrate understanding of how to keep money safe e.g. by giving it to a responsible adult, locking it away or depositing it at the bank 	<ul style="list-style-type: none"> Identify and compare different ways of keeping money safe e.g. money box versus bank account 	<ul style="list-style-type: none"> Identify the different types of financial risks that individuals and families face e.g. borrowing money, church obligations 	<ul style="list-style-type: none"> Identify types of financial risks to individuals, families and communities e.g. traditional obligations, failed businesses and/or investments
		<ul style="list-style-type: none"> Identify consequences of losing money or having it stolen e.g. not having the money to pay for bus fare or lunch at school 	<ul style="list-style-type: none"> Give examples of ways you can reduce the risk of losing or having money stolen 	<ul style="list-style-type: none"> Give examples of ways you can manage and minimise risks to individuals and families e.g. keep within financial means 	<ul style="list-style-type: none"> Give examples of ways to manage and minimise risks to individuals, families and communities e.g. seek investment advice from reliable persons

2.3 Forms Three and Four

2.3.1 Form Three Commercial Studies – Personal Finance I (One term)

“Effective Money Management”

Income and Money Management

1. The development and functions of money

Students could demonstrate such knowledge and understandings when they:

- (a) Describe the development of money including different forms of money (cheques, EFTPOS, credit card payments);
- (b) Describe the qualities of money;
- (c) Apply the qualities of money to the Fijian dollar.

2. Methods of payment

Students could demonstrate such knowledge and understandings when they:

- (a) Describe how the barter system works;
- (b) Describe how money facilitates personal transactions;
- (c) Compare the advantages and disadvantages of using cash rather than cheques for payment of expenses;
- (d) Describe the function and use of documentation for banking activity (including remittances and money transfers);
- (e) Compare and contrast different methods used for payment of expenses such as EFTPOS, credit card, mobile banking;
- (f) Describe the features of electronic banking (eBank).

3. How consumers earn their income

Students could demonstrate such knowledge and understandings when they:

- (a) Identify ways (including entrepreneurial activity) in which people can earn an income or times when money is received as gifts, or receive cash as a loan;
- (b) Describe the different sources of income (earned and unearned) for individuals and households;
- (c) Interpret documents related to sources of income (including deductions – documents to include payslips, remittance receipts, bank statement entries);
- (d) Explain the importance that remittances from overseas have on household incomes.

4. How to manage personal finances

Students could demonstrate such knowledge and understandings when they:

- (a) Describe the different parts which make up a personal/family budget;
- (b) Identify the source documents which are evidence of income and expenditure items of a budget;
- (c) Interpret documents related to the spending of income (including VAT – documents to include invoices for household expenses such as telephone, school fees, transportation, electricity, water meter, shopping dockets, receipts for other payments);
- (d) Identify ways to keep personal financial records;
- (e) Prepare a budget for an individual and a family.

5. The benefits of spending income wisely

Students could demonstrate such knowledge and understandings when they:

- (a) Construct a budget for spending income wisely;
- (b) Evaluate different alternatives of spending using the decision making process;
- (c) Identify opportunity costs related to making specific purchasing decisions;
- (d) Identify the factors which influence decision making such as income levels, personal values, beliefs, obligations and priorities;
- (e) Identify the external economic factors, beyond the control of the individual, which influence decision making;
- (f) Identify what records, such as bank statements, are useful in order to develop money management capability;
- (g) Identify and explain methods for spending income wisely such as buying in bulk, conserving and recycling;
- (h) Utilise budgets to control and manage individual/family spending;
- (i) Investigate the impact of unplanned spending.

6. How money is managed over time

Students could demonstrate such knowledge and understandings when they:

- (a) Identify personal expenses for different living situations and at different life-stages;
- (b) Explain the role of budgets in managing spending and saving in the short and medium term;
- (c) Set up a savings programme for both short and long-term goals;
- (d) Monitor the savings programme to achieve the short-term goal;
- (e) Demonstrate the impact of inflation on income.

7. How banks help personal financial management

Students could demonstrate such knowledge and understandings when they:

- (a) Identify different ways for keeping money safe, such as school banking or banking activities in rural areas;
- (b) Describe how banks can help personal money management, providing a range of services for changing needs;
- (c) Describe the steps for opening a bank account, including the need to have a Tax Identification Number (TIN).

8. Issues and trends in personal finance

Students could demonstrate such knowledge and understandings when they:

- (a) Identify three prudent money management practices for two different communities in Fiji;
- (b) Identify issues that have arisen for Fiji people for personal finance (access to banking facilities, increase in VAT, flow of cash, lack of financial understanding);
- (c) Apply solutions to the identified financial issues;

2.3.2 Form Four Commercial Studies – Personal Finance II (One term)

1. Managing finances related to individual and family events

Students could demonstrate such knowledge and understandings when they:

- (a) Classify the different expenditures (especially cultural and belief expenditures) relevant to different events which affect individuals living in Fiji;
- (b) Prioritise needs and aspirations within the boundaries of a finite income;
- (c) Identify a range of principles of good financial management;
- (d) Discuss values and ethical factors which impact upon decisions;
- (e) Explore ways in which needs and aspirations may be financed;
- (f) Identify ways of maximising income for an individual and a family;
- (g) Describe how income contributes to well-being;
- (h) Evaluate the benefits and costs of a non-financial nature which influence decision making for such events.

2. Managing credit

Students could demonstrate such knowledge and understandings when they:

- (a) Identify the advantages and disadvantages of borrowing;
- (b) Identify different sources of borrowing, including financial institution lending, hire purchase, money lenders, store lending, and family;
- (c) Compare and contrast the costs of buying on credit, from a range of lenders, buying with cash and layby arrangements;
- (d) Understand the need to plan and manage debt (for example, discounts for prompt payment, paying on time, paying required amount in full);
- (e) Show the impact of increasing debt on current and future spending options;
- (f) Describe the impact of credit costs, traditional obligations and credit timeframes on different forms of credit arrangements;
- (g) Describe what is meant by credit worthiness and the implications of a credit history;
- (h) Identify the difference between good and bad debt, and manageable and unmanageable debt.

3. The need to protect against financial risk

Students could demonstrate such knowledge and understandings when they:

- (a) Identify possible risks for loss of value in your family's property (for example, accidents, fire, flood, theft, water damage, loss of income, natural disasters)
- (b) Describe the principles of insurance as a way of reducing risk;
- (c) Investigate which insurance types are available and the most popular in Fiji;
- (d) Investigate a range of financial institutions which offer insurance cover;
- (e) Investigate changing risk management needs at various life-stages and in relation to income and wealth.

4. Risk and return in relation to popular financial products

Students could demonstrate such knowledge and understandings when they:

- (a) Investigate generic financial products available to young people in the short and medium term;
- (b) Research the risk and returns involved in investment products, possibly including the sharemarket;
- (c) Investigate the terms and conditions of investments that are offered by a range of financial institutions;
- (d) Give examples of different rights and responsibilities in relation to financial products;
- (e) Compare the risk and return from savings and investment products over time.

5. Why and how people invest income

Students could demonstrate such knowledge and understandings when they:

- (a) Investigate different ways of investing income to create wealth, including superannuation;
- (b) Investigate and compare interest rates and terms over time;
- (c) Employ a tool to demonstrate the benefits of compound interest;
- (d) Demonstrate the impact of inflation on wealth;
- (e) Demonstrate the impact of tax on wealth;
- (f) Demonstrate the impact of tax on income;
- (g) Demonstrate the impact of tax on cash receipts.

6. Financial planning for the future

Students could demonstrate such knowledge and understandings when they:

- (a) Investigate life-stage related financial events;
- (b) Investigate how life styles and life-stages influence choices of financial products;
- (c) Determine factors that influence individuals' investment decisions (include values, beliefs and attitudes);
- (d) Demonstrate the longer-term financial consequences of decision making;
- (e) Show various savings commitments for different sorts of items and how decisions for these differ;
- (f) Compare long-term savings goals and trade-offs with short-term goals;
- (g) Draw up a simple investment plan;
- (h) Monitor the implementation of the investment plan.

2.4 Senior Secondary Forms Five and Six

The following learning outcomes have been placed into Forms Five & Six Economics, Accounting, English and Maths.

Economics

1. Credit history and credit records

Students could demonstrate such knowledge and understandings when they:

- (a) Make informed decisions about the purpose and use of credit;
- (b) Explain the long-term implications of credit arrangements, getting into debt and possible consequences;
- (c) Compare the financial and non-financial implications of spending now with spending later;
- (d) Explain the importance of establishing a good credit history;
- (e) Describe ways to avoid or correct credit problems;
- (f) Explain the purpose of a credit record;
- (g) Identify borrowers' credit report rights;
- (h) Identify ways that a negative credit report can affect a consumer's financial future.

2. Sources of advice

Students could demonstrate such knowledge and understandings when they:

- (a) Identify available credit advice agencies available in another country.

3. Income decisions

Students could demonstrate such knowledge and understandings when they:

- (a) Identify and evaluate alternative forms of income;
- (b) Identify one's own income potential;
- (c) Identify a career goal and develop a plan and timetable for achieving it, including education/training requirements, costs and possible debt;
- (d) Make an informed decision relating to personal income in the context of a life-stage or a life event;
- (e) Identify the impact of changes in income;
- (f) Evaluate consequences of a decision relating to personal income.

4. Banking and financial services

Students could demonstrate such knowledge and understandings when they:

- (a) Identify products and services offered by banking and financial institutions;
- (b) Describe specialised and/or ancillary products and services offered by banking institutions and their purpose;
- (c) Describe access mechanisms and security issues for general products and services;
- (d) Evaluate costs and benefits of the services offered;
- (e) Select and justify the most appropriate account for a given situation.

5. Personal financial planning

Students could demonstrate such knowledge and understandings when they:

- (a) Investigate possible income shocks/disruptions to earning an income and prepare a response;
- (b) Analyse how external factors such as economic, socio-cultural and regulatory factors can affect income and career potential;
- (c) Analyse life-styles possible at different income levels;
- (d) Explain the effect of inflation on income;
- (e) Use a financial or online calculator to determine the future income needed to maintain a current stand of living;
- (f) Identify the factors that affect net worth;
- (g) Calculate and analyse a person/family's net worth;
- (h) Analyse the income value of intangible assets.

Personal Accounting

1. Money management

Students could demonstrate such knowledge and understandings when they:

- (a) Explain the components, format and process for developing a budget;
- (b) Describe factors affecting take-home pay;
- (c) Design a balanced budget for a person/family to meet financial goals;
- (d) Identify the place of savings in a budget;
- (e) Modify the budget to reflect changing circumstances and/or goals and priorities.

2. Financial record keeping

Students could demonstrate such knowledge and understandings when they:

- (a) Interpret financial documents by identifying the purpose, sender/originator, contact details and other relevant information;
- (b) Reconcile financial document information with personal records to verify accuracy and legitimacy;
- (c) Describe actions required to correct inaccuracies;
- (d) Develop a filing system for keeping financial records, both paper and electronic;
- (e) Evaluate different transaction instruments and relate them to personal requirements;
- (f) Describe record keeping features that financial institutions provide for online account management.
- (g) Demonstrate skill in basic financial tasks, including scheduling bill payments, writing a cheque, reconciling bank statements and monitoring printed or online account statements for accuracy.

English

1. The nature of credit

Students could demonstrate such knowledge and understandings when they:

- (a) Describe credit (the power to obtain goods and services with an obligation on the borrower of future payment to the source of credit);
- (b) Explain why credit imposes an opportunity cost on borrowers and lenders;
- (c) Explain the difference between credit, debt and income;
- (d) Explain how debit cards differ from credit cards and charge cards;
- (e) Give examples of interest rates and terms of credit arrangements;
- (f) Describe the risks and costs of alternative forms of credit;
- (g) Give two examples of “easy access” credit;
- (h) Identify two different types of mortgage lenders and two different types of mortgage loans.

2. Legal aspects of credit

Students could demonstrate such knowledge and understandings when they:

- (a) Describe the rights and responsibilities of the user and issuer of credit in accordance with the Consumer Credit Act 1974;
- (b) Complete a typical credit card application accurately.

Mathematics

1. Calculate the costs of credit

Students could demonstrate such knowledge and understandings when they:

- (a) Using a financial or online calculator, compare the total cost of borrowing for a purchase between \$500 and \$15,000, for three different types of credit;
- (b) Given an “easy access” loan amount and a two-week borrowing fee, calculate the interest rate for the loan period and its annual equivalent;
- (c) Show, by examples of calculations, how the interest rate and loan length affect the cost of credit.
- (d) Give examples to measure the total cost of credit, including the hidden costs, not the interest rate only;
- (e) Employ a tool to calculate and evaluate different savings and debt options and match debt with the future value of purchases;
- (f) Use a tool to demonstrate the benefits of early repayment.

“The Ministry will continue to revise these learning outcomes as part of its normal processes.”

3.0 Financial Education Teaching Approaches



Vuli the Vonu

3.0 Financial Education Teaching Approaches

3.1 *Telling a story*

Telling a story is a useful way to gather information, issues and ideas from the community about a financial topic. This teaching technique works well for topics such as budgeting, saving, methods of payment (including credit cards), taxation, credit and borrowing, investment, banking and insurance.

In advance, students go out in to the community and find a story about the topic under discussion. They could approach family, friends, neighbours or workmates.

For the sake of the interviewees' comfort, emphasise to the student that the dollar value is not to be the key focus of the story.

Emphasis is to be placed on:

- The event
- Why it happened
- What kind of product/financial activity was involved
- Why the person had/did not have the product or did not do the activity
- How the person felt about the outcome
- Any changes the person would make to the situation as a result of the event.

The students share their stories in class, giving opportunity for comments from other class members.

Assessment

Students choose one or more of the situations discussed and create a list of points that they would need to take into consideration when dealing with a future situation.

3.2 *Treasure hunt*

All sorts of activities can be classed as Treasure Hunts. One form of Treasure Hunt is for students to search for specific information (internet, pamphlets, newspapers etc). Another form is to use a pre-planned sheet and search for a person who shows particular behaviours or particular attitudes. The behaviours can relate to a number of financial topics.

The example below has a list of behaviours, beliefs and attitudes, with a different one inserted into each square. To demonstrate to the class that people have varying behaviours, beliefs and attitudes about saving, a list of widely found behaviours in the community has been placed in the squares on the page.

Students then talk to their fellow class members about their saving behaviours in order to place a name in each square and fill up the page (a little like Bingo).

The class members could do this activity outside of their own classroom to get a wider picture of financial behaviours etc.

Assessment

Students could analyse the range of behaviours, and identify possible incentives for changing or reinforcing behaviours.

Find a person who ... (saves)

Because I don't like relying on others and I don't like being held back by lack of money	Because I cannot do some things without a large sum of money to start with	Because I want to build up a reserve fund in case something unexpected happens
Because I am extremely careful with my money. I don't like spending very much	Because I want more money to spend in the future	Because it is a habit
Because I might not always be in the financial position that I am now	Because I like the idea of leaving money to my family when I am dead	Because I like to see my money grow with interest being added over time

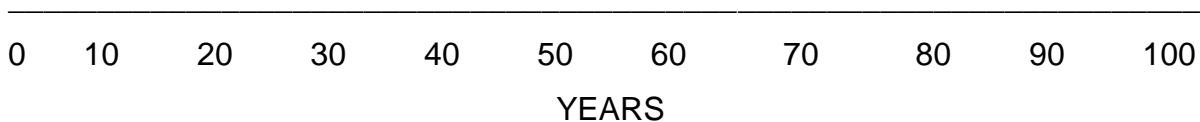
3.3 Life-cycle/life-stage activities

Students find it difficult to think ahead and plan ahead for the long term. It has been said that people can see as far ahead as they have already lived. So a 13 year old may be able to think as far ahead as being 26 years old.

Life-cycle activities provide the students with opportunities to experience in a visual manner what life could look like. These activities are often suitable for groups as it gives students an opportunity to discuss different life patterns.

Approach

1. Provide a large (A3) sheet of paper and draw a line horizontally through the middle of the page.
2. Evenly space years 0-100 across the page.



3. Prepare a selection of cards that have situations/events/activities written on them. The situations can be general or specific to a particular topic e.g. saving and investment.
4. Students place life-cycle cards along the line according to their expectation of when a particular event is likely to happen.

N.B. It is important that students recognise that some events:

- **Can occur more than once**
- **May not occur**
- **May occur in a non-conventional way**
- **May be group-specific events.**

5. Students report back to the class to explain and justify their life-cycle decisions. Teachers could set the criteria for reporting back in advance.

Assessment

Students brainstorm and record the financial or planning decisions that they would need to make if they were going to manage each event well.

Example: \$10,000 saved in a bank account by the time you wish to travel overseas.

3.4 Language games

One of the elements of Financial Competency is a certain level of ability in the language of money and financial activities. As students learn about day to day money management, they will come across terms and concepts with which they may be unfamiliar. As they learn about financial planning and investing, financial language can become even more specific.

Familiarisation with financial language is important. Adults may feel excluded from the financial system because of their inability to understand financial language and concepts. It is important that as teachers, students are helped to gain capability in language as well as numeracy, which is often regarded as the key to money management.

Language can be learnt through games. A Glossary is provided in the Manual with terms and definitions for selection.

Bingo

Provide a range of bingo cards (suggest 5 x 5) with a financial term in each square of a card. There will be 25 terms on each card, but each card's terms will be different.

Call out definitions of the terms on the cards one at a time.

Students place a piece of paper on top of a square where the term's definition has been called out.

The first person to get all their squares covered up with all definitions correct wins.

Incomplete sentences

Put half a definition on one piece of paper and the remainder of the definition on another piece. Students get half a definition each and have to find the other half.

Scrambled sentences

Words in a definition are mixed up. The sentence is unscrambled and then the term that matches the definition is identified.

Wordfinds

An easy version of this is to have the terms listed in the wordfind. A more complex version is to provide the definitions with the corresponding terms being located in the word find. Pass the wordfinds around the class.

Crosswords

Similar to above. Make up your own crossword using www.puzzle-maker.com or www.puzzelfast.com/teach or www.discoveryeducation.com/teachers.

Trivial Pursuits competition

A team competition where each round is based on a different topic e.g. saving, banking, managing risk etc.

Play Fish

Prepare two sets of cards. One card has a term written on it, the other card has a definition written on it.

Students then work in pairs, matching up the cards from an up-side-down pool of cards.

Alternatively, use the cards for silent swapping. Students match up their term and definition card and drop out of the “silent circle” when they have their pair.

Assessment

Right/wrong type questions can be used as a traditional test. Marks can be awarded.

3.5 Scenarios about decision making

Money management is not cut and dried. There are consequences to financial decisions and often there are non-financial consequences which are just as powerful as financial consequences.

Here are some examples of the type of activity. Make up your own examples or you can modify these.

A family wins a trip to Disneyland

Paul and Anna, parents of three children (10, 12, 16 years old) win a trip to Disneyland for four people (two adults, two children). The holiday value is \$10,000. The family recently purchased a new home, increasing the mortgage repayments substantially. The cost of taking one extra child is \$3,000.

Should the family:

- (a) Cash in the holiday (cash value \$4,000);
- (b) Take the extra child, for which they need to borrow the money (\$3,000);
- (c) Leave one child behind?

An overseas funeral

Samu lives with his family in New Zealand. He has just been made redundant from work. His grandmother suddenly dies in Fiji and the family is required to return home for the funeral. This would probably cost the family \$6,000 in airfares and funeral expenses.

Should the family:

- (a) Make the journey together;
- (b) Send only Samu (which would cost slightly less);
- (c) Send a cash contribution?

The wedding gift

Avinesh and Shalini have known each other for four years and, much to the delight of both their families, they have decided to get married. Shalini's parents' wedding gift is \$20,000, which they can use for any purpose.

Should they:

- (a) Have the fairy-tale wedding that Shalini has always dreamed of;
- (b) Use it as a deposit on their first home;
- (c) Update their clapped-out car?

That overseas experience

Anaseini has been contributing to a superannuation scheme for the past eight years. Her cash payout immediately would be \$10,000. If she kept contributing to the scheme for another two years, her cash payout would be \$15,000. If the scheme was to continue to maturity, this would provide her with security for retirement. Her best friend has decided to travel the world and has asked Anaseini to travel with her. To do this, she needs to cash in her superannuation.

Should she:

- (a) Cash in the fund now and travel the world, having a wonderful time with her friend;
- (b) Wait two years for the larger payout, and go overseas without her friend;
- (c) Start a savings plan, goal specific to travel, and go at some indefinite time later when she has sufficient funds?

Financing tertiary education

Fazim is leaving school and is reluctant to get a student loan. However, he recognises the need for further education. He wants to study a business course at a tertiary institution and the fees are likely to be \$3,000 a year. He will need to afford living costs as well.

Should he:

- (a) Decide to take out a loan after all to cover the costs (fees and living costs);
- (b) Borrow from his parents;
- (c) Work for a year and study the following year?

Transport dilemma

Kitione believes he needs “wheels” to get to University, instead of catching the bus. To pay for this he will have to take a part-time job after classes. He knows this will clash with his academic commitments.

Should he:

- (a) Buy the car, knowing the potential opportunity cost;
- (b) Continue to catch the bus;
- (c) Save towards the car and take out a loan once he has saved enough for the deposit for the car?

Activity pattern

Read through the scenario and list the financial consequences for each option.

Identify the short-term and long-term consequences if applicable.

List the non-financial consequences for each option.

Assessment

- (a) Use the decision making process to identify which option would be most desirable;
- (b) Alternatively, propose an alternative decision with its consequence;
- (c) Apply this decision making process to a personal scenario.

Describe a personal financial scenario where this decision making process could be used.

Identify the financial consequences (both long and short term)

Identify the best decision for the scenario.

4.0 Financial Education Lessons



Vuli the Vonu

4.1 Ways consumers earn income

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- (a) identify ways (including entrepreneurial activity) in which people can earn an income or times when money is received as gifts, or receive cash as a loan
- (b) describe the different sources of income (earned and unearned) for individuals and households
- (c) interpret documents related to sources of income (including deductions) – documents to include payslips, remittance receipts, bank statement entries
- (d) explain the importance that remittances from overseas have on household incomes.

Suggested time

As required

Resources

As in the Teacher Manual

Vocabulary

Earned income	Unearned income	Wages
Salaries	Investment income	Superannuation
Dividends	Interest	Royalties
Commission	Winnings	Fees
Self-employed	Loans	Profit
Remittances		

Key concepts

Income from work brings personal satisfaction.

Employment opportunities and income sources change over a life-time.

Remittances are a source of income and have responsibilities for both the sender and the receiver.

Citizens are responsible for finding ways to earn income.

Lesson One

Ways in which people earn income.

- There are two types of income.
- Income can be earned from work (effort) or from owning items that produce income.

Earned income: the sum of all wages, salaries, profits, commission, fees and other forms of earning received from work, in a given period of time. People work at producing goods and services and are paid for their time and effort.

What could you do to earn?

Earned income	Type of activity/job
Wages	
Salaries	
Profit	
Commission	
Fees	

Unearned income: refers to income that is not a salary or a wage. It includes interest, dividends or capital gains from investments, rent from land or property ownership and any other form of income that does not come from work.

What could you own to earn?

Unearned income	Item/asset owned/type of transfer
Interest	
Dividends	
Rent	
Royalties	

There are also other ways when people receive money that do not fit into either of these groups, for example:

- gifts
- remittances
- gambling winnings
- inheritances
- loans (from the bank, friends or family).

Questions

- 1 How are loans different from income?
- 2 What are the sources of income for the people in the following case study?

Randhir and Tara (parents), Wati and Nilesh (their teenage children), Lolesh (their five-year old son), and grandmother Saras

Lolesh	Thanks grandmother for the \$10 for my birthday. I'm going to put this away safely rather than spending it now.
Wati	Mum, Dad, I just got my pay first pay from my part-time job. I got \$60 for a fortnight's work!
Nilesh	Well I have just got \$75 from selling my autographed photos of the football players on the net.
Tara	That's pretty good. Perhaps I could set up a stall at the markets on Saturday to sell the bracelets I have been making. And maybe I could also sell the stamps I have been cleaning and saving. I need to do something to help while I am away from work looking after grandmother.
Randhir	Why don't you buy a lottery ticket or bet on next week's game? More fun.
Wati	When did you last win anything that way, Dad?
Randhir	Well, I did win \$40 by picking the first Fiji try scorer in the Rugby World Cup games.
Nilesh	There must be more certain ways to earn money.
Tara	You two can earn pocket money for jobs around the house. What about putting in some effort there. You need to clean out your room and weed around the outside of the house.
Nilesh	That's very time-consuming. When I leave school, I'm going to set up my own business like Daven and make a nice profit. I want to be rich and be an entrepreneur, working for myself.
Tara	You'll need some money to start up a business so you had better come up with some good ideas, then get other people to invest in your business.
Saras	Wati is good with money and she has some good ideas. She is a good saver and plans to invest her money in good businesses. I have been helping her understand the business section of the paper. She is looking out for new companies that are not paying large dividends now but will in the future. She thinks their shares will increase in value that way. If only I had known about that when I was her age.
Nilesh	We did a business project at school. I did the business plan and I think it has possibilities. I should investigate the idea further.
Lolesh	If you're lucky I might put my money into your business!
Tara	I could write a book about your ideas! If I publish it, then I would get royalties and not have to make the bracelets.

Person	Income from	Earned/unearned income/neither
Randhir	Betting winnings	Neither
Tara		
Nilesh		
Lolesh		
Saras		
Wati		

Fiji income statistics by type of income

Approximate percentages of income earning people in various types of paid work in Fiji (used by the Fiji Bureau of Statistics) are:

Wage earners	35%
Salary earners	11%
Employers	1%
Self-employed	22%
Family workers	31%.

Research activity:

- 1 Find out what types of jobs wage and salary earners do in your community (at least 20 examples).
- 2 Find out what types of businesses employers and self-employed run in your community.
- 3 What different types of work do family workers do?
- 4 How many different types of incomes sources are there in your family group?
- 5 Describe how income sources change as you get older.
- 6 Explain why income is an individual as well as a community responsibility.

Draw a bar or pie graph of the relative proportions of various types of employment in Fiji as a whole and compare it with your community.

Lesson Two

Interpret documents related to sources of income.

Payslips

Employees have the right to know how much they will be paid and how often. They are also entitled to receive an individual, detailed, written pay statement from their employer. This will help them to work out if they have been paid the correct amount.

What to look for in your payslip

Pay slips should contain the following information:

- total amount of your wages before any deductions (gross wages)
- individual amount of any fixed deductions (such as trade union subscriptions)
- individual amount of any variable deductions (for example tax)
- net amount of your wages (this is the total after deductions)
- amount and method for any part-payment of wage (such as separate figures for a cash payment, the figure credited to a bank account, and the amount deducted for superannuation)

Your employer might include additional information on your payslip which s/he may not be required to provide, such as:

- TIN (number)
- tax codes
- pay rate (either annual or hourly)
- additional payments like overtime, tips or bonuses, which might be shown separately.

This table may be useful for the following exercises:

Fiji Tax Rates 2012

A. Resident Individuals and Resident Individual Trustees

Chargeable Income (\$)	Tax Payable (\$)
0 - 15,600	Nil
15,601 - 22,000	7% of excess over \$15,600
22,001 - 50,000	448 + 18% of excess over \$22,000
50,001 – 270,000	5488 + 20% of excess over \$50,000

Pay slip for Randhir

PAYSLIP

Name Randhir Singh
 TIN number 06-3649-0-5
 Tax code
 Superannuation deduction 8%

Pay details

Pay period start date 15/11/2012
 Pay frequency Weekly
 Pay amount (hourly rate) \$11.60
 Amount of hours worked per week 30
 Pay amount (weekly) \$348.00

Calculations

Gross income (weekly)		\$348.00	
	minus		
TAX deductions		\$3.36	
	minus		
Savings deductions		\$0.00	
	minus		
Superannuation deductions		\$27.84	
	equals		
Net payment			\$316.80
Direct debit to 02 6794 0013346 00			\$316.80

Activities**1 Wati's payslip****PAYSLIP**

Name Wati Singh
 TIN number 09-8734-1-3
 Tax code
 Superannuation deduction 8%

Pay details

Pay period start date 12/03/2012
 Pay frequency Fortnightly
 Pay amount (hourly rate) \$5.85
 Amount of hours worked per fortnight 12
 Pay amount (fortnightly) \$70.20

Calculations

Gross income (fortnightly)		\$70.20	
	Minus		
TAX deductions			
	Minus		
Savings deductions		\$4.58	
	Minus		
Superannuation deductions		\$5.62	
	Equals		
Net payment (paid in cash)		\$60.00	

Identify the following items on Wati's payslip:

1. Amount of Wati's wages before any deductions.

2. The percentage and actual amount of any superannuation.

3. The amount of tax.

4. Why did Wati pay no tax?

5. Net amount of Wati's wages.

6. Amount and method of payment for the final wage figure.

7. How safe is this method of receiving income? What might be a better method and why?

8. Why is it important that Wati checks her payslip?

9. How could she prove if there were mistakes?

2 Tomasi's payslip

Tomasi works at Super Specials supermarket after school on Thursdays and on Sundays to help pay for his tertiary studies. He works eight hours each week and earns \$8.00 per hour. This is his only job. Tomasi believes in planning for the future and has joined a superannuation scheme to which he contributes 8%. He has also joined the trade union which costs him \$5.00 a week.

It is payday and Tomasi has his payslip. You suggest that he needs to check it to see if it is correct.

Tomasi's payslip

Super Specials Supermarket

1000 Mackenzie Drive

Suva

VAT No. 45-34890-0-8

Name Tomasi Johnson

TIN number 07-2586-0-4

Superannuation deduction 8%

Pay details

Pay period start date 15/07/2012

Pay frequency Fortnightly

Pay amount (hourly rate) \$8.00

Amount of hours worked 16

Pay amount (fortnightly) \$128.00

Calculations

Gross income (fortnightly) \$128.00

TAX deductions minus \$00.00

Trade union deductions minus \$15.00

Superannuation deductions minus \$10.24

Net payment equals \$102.76

Paid into bank account 12 3456 567765 01

(a) List four pieces of information that you consider that Tomasi should carefully check.

Any four of: that it is his payslip (and not someone else's), the number of hours he is being paid for, his hourly pay rate, his tax number, his superannuation rate and contribution amount, trade union deduction, any other reasonable answer.

(b) Write down three pieces of information that are correct on this payslip.

Any three of: it is his payslip, his hourly pay rate, his TIN number, pay frequency, his superannuation contribution rate, any other reasonable answer.

- (c) Write down one piece of information that is incorrect. Give its correct value.

His trade union deduction – it should be \$10.00.

- (d) What advice would you give Tomasi so that he can get any inaccuracy fixed up?

He should take his payslip to his employer and explain the problem and ask for this to be corrected.

Lesson Three

Importance of remittances from overseas on households

What is a remittance?

A remittance is a transfer of money by a foreign worker to his or her home country.

Does anyone in your community receive remittance money?

Money sent home by (temporary or permanent) migrants constitutes the second largest financial inflow to many developing countries, exceeding international aid. Estimates of remittances to developing countries vary from International Fund for Agricultural Development's US \$301 billion (including informal flows) to the World Bank's US\$250 billion for 2006 (excluding informal flows). Remittances contribute to economic growth and to the livelihoods of people worldwide. Moreover, remittance transfers can also promote access to financial services for the sender and recipient, thereby increasing financial and social inclusion.

Source: <http://en.wikipedia.org/wiki/Remittance>

There are two parties involved in remitting money – the sender and the receiver. Senders work overseas and send part of their income to the receiver. The money is typically used to supplement income for everyday expenses or to pay for improvements in living circumstances (new roof, better cooking facilities, better drainage etc).

If you were the sender, what would you want your remittance money to be used for?

If you were the receiver, what would you expect the remittance money to be used for?

Remittance receipts

XYZ Bank, Australia					
RECEIPT FOR MONEY REMITTANCE					
Please remit the funds to Fiji/subject to conditions at the back				Date	04/02/2012
Remitter ID no.		189346			
Sender's particulars	SEV11908		FOR COMPANY USE ONLY		
			Net to beneficiary	1000.00	
			Rate		
Sender's name	Serevi, Koroi		Remittance amount	1,000.00	
Sender's address	346 High St		Remittance fee	25.00	
	Manly		Other charges	135.00	
	Sydney Australia		Total amount	160.00	
Telephone no.			Received from customer	1160.00	
Beneficiary's particulars			4	X 5's	20.00
Beneficiary's name		Litea Serevi	50	X 10's	500.00
Beneficiary's address		8 Sagayam Rd	8	X 20's	160.00
		Nadi	4	X 50's	200.00
Other bank/branch		Nadi, Fiji	1	X 100's	100.00
Beneficiary's account no.			Cash	Subtotal	1000.00
02 3456 99912 00				Cheque	160.00
				TOTAL	1160.00
			Verified and signed by:		Verified and signed by:
			<i>K. Serevi</i>		<i>K Roo</i>
			Remitter		Authorised personnel

(a) List four pieces of information that you consider that Koroi should carefully check.

(b) What advice would you give Koroi, so he can get any errors corrected?

- (c) Why is it important that Koroi immediately informs Litea that he has sent the money? What information should he give her?

Fiji in the top 10 remittance receivers

Thursday, 6 March 2008

SUVA (Pacnews) Fiji was one of the top 10 remittance recipients in 2007 in the East Asia and Pacific region. Pacnews reports Fiji is estimated to have received \$247 million (US\$165m) in inward remittances in 2007. This was the same as the previous year, the report revealed. However, the report said that the true size of remittances, including unrecorded flows through formal and informal channels, is believed to be larger.

The report noted that the acting deputy governor of the Reserve Bank of Fiji, Barry Whiteside, had highlighted that remittances to Fiji in 2006 amounted to \$313million (US\$210m). It said that the discrepancy between this figure and the data reported in the International Monetary Fund (IMF) balance of payments statistics needs further investigation. The top 10 remittance recipients in 2007 (for East Asia and Pacific) are as follows: China (\$US25.7b), Philippines (\$US17b), Indonesia (\$US6b), Vietnam (\$US5b), Thailand (\$US1.7b), Malaysia (\$US1.7b), Cambodia (\$US0.3b), Mongolia (\$US0.2b), Fiji (\$US0.2b) and Myanmar (\$US0.1b.)

The top 10 remittance recipients in 2006 (percentage of GDP) included: Tonga (32.3 per cent), Philippines (13 per cent), Kiribati (9.9 per cent), Vietnam (7.9 per cent), Mongolia (6.8 per cent), Solomon Islands (6.3 per cent), Fiji (5.8 per cent), Cambodia (4.1 per cent), Vanuatu (2.8 per cent) and Indonesia (1.6 per cent). The tertiary educated emigration rate in 2000 ranged from Tonga 74.2 per cent, Samoa 66.6 per cent, Fiji 58.7 per cent, Marshall Islands 41 per cent, Vietnam 39 per cent, Federated States of Micronesia 36.4 per cent, Palau 30 per cent, PNG 28.2 per cent and Kiribati 24.9 per cent.

The bank uses the data in a range of activities including work on labour mobility and cost of sending remittances through financial institutions.

Source: <http://www.fijitimes.com/story.aspx?id=83166>

Accessed from: <http://www.fijitimes.com.fj>

Permission to publish this article in the Form Three Teachers' Manual for the Fiji Financial Education Curriculum Development Project has been granted by Fred Wesley, Editor In Chief, Fiji Times Ltd (22 October, 2012)
117 Victoria Parade, Suva, GPO Box 1167, Suva, Fiji

Phone: (679) 330 4111 Fax: (679) 330 2011 Website: www.fijitimes.com.fj

Teacher note:

The above article can be used by Maths, English or Commercial Studies teachers to discuss the importance of remittances to Fiji. Teachers should devise their own questions based on the article.

Class research activity

- 1 Investigate the types of work that Fiji migrants do when they earn overseas and send money back to Fiji (e.g. sports players, nurses, peacekeepers).
- 2 How often is money sent (weekly, monthly, every three months, annually, at Christmas)?
- 3 How is the money stored?
- 4 What is it budgeted for (if at all)?
- 5 Do regular remittances set up an expectation that the money will continue to arrive?
- 6 What responsibilities do the remitters have?
- 7 What responsibilities do the receivers have?
- 8 How is the money transferred? What is the transfer fee?

Class members to undertake a survey and report their results.

Remittance transfer mechanisms

Remittance funds can be transferred by:

- money transfer systems (telegraphic transfers)
- cash to cash
- prepaid ATM cards
- mobile phone transfers
- mobile money on-line transfers.

Find out what methods of transfer are used in your community.



PRESS RELEASE

CASH FOR CHRISTMAS – WHO IS SENDING MONEY TO YOU?

Published on PFIP's <http://www.pfip.org/media-centre/press-releases/>

[Suva, Fiji, December 20th, 2011] Christmas can be a wonderful and joyous time of year, spending time celebrating with family, friends and colleagues. We also spend a lot of money on gifts, food and travel that can leave us ill-prepared financially for the New Year. Many Fijians are blessed to have relatives overseas who send money throughout the year and especially around holidays. This year you have a chance to give back to those relatives by letting them know of several new and cheaper options to send money home to Fiji.

The money sent home by your loved one working abroad in another country is called a remittance. **According to the Reserve Bank of Fiji, the total recorded remittance inflows to Fiji in 2010 were close to F\$300 million, putting it in the top ten recipients of personal remittances in East Asia and the Pacific. Up until recently, it cost an average of 18% (or 18 cents for every dollar sent). That is \$54 million going to fees to exchange money.** And that doesn't even include the amount that many Fijians spend to get the money from the nearest town or post office. Your friends and relatives work hard for that money as soldiers, nurses, engineers and yes, rugby players. But now you can help them save money while they help you.

So how do you receive money from relatives? Many people send money home with a traveling friend or family member. This is a common way to send money and it's usually free. But it is not always the fastest, it can be an inconvenience to that person and honestly, it's not the safest. The majority of Fijians still send money through Money Transfer Operators (or "MTOs") like Western Union or MoneyGram and many smaller firms. These can be convenient for the sender because there are outlets worldwide and around Fiji and neither the sender nor receiver need a bank account. Unfortunately, they can be pretty expensive.

If you and the sender have a bank account (about half of Fijian households have one), then the banks offer money transfers as well. ANZ reduced costs by 75% (Fiji \$60 to \$15) for sending money from Australia to Fiji and plans to introduce a prepaid money transfer VISA card in 2012 in Papua New Guinea, Tonga, Samoa and Fiji. In this system, there will be two cards, one with the sender and one with the receiver of funds. The sender loads the money in Australia onto their card which a family member or friend living in the Pacific can access using the other card. Westpac has been offering this two card system for transfers from New Zealand to Pacific countries from the start of 2011, and the sender saves close to \$72-\$92 for sending money four times in a year. If you don't have a bank account you should open one; Westpac offers a low cost account called 'Basic Choice' account that charges no monthly fees, but charges you only for each transaction. You can also keep some of the money you are receiving and save it so you can start the year off right.

There are also some new possibilities. Both Digicel and Vodafone now offer international remittances from Australia and New Zealand to Fiji as part of their mobile money services. M-PAiSA partners with Lotus Foreign Exchange which has outlets in all three countries and the service is cheaper than many other operators and the funds are sent directly to your mobile phone. All the sender needs to know is your Vodafone mobile number. Once the money is in your M-PAiSA account you can save it, cash it out at any M-PAiSA agent, pay your FEA or water bill or even the money due to courts.

Digicel has an incredibly cheap international remittance service that you access on the Digicel Mobile Money website. Through a partnership with a New Zealand firm called KlickEx a sender with a bank account in New Zealand or Australia or a credit card can use the online system send money to anyone in Fiji to their mobile number. Like M-PAiSA the money is

sent directly to your phone and you can save it, cash it out at a Digicel Mobile Money Agent, pay bills, send it on to someone else and top up your phone. Of course the sender needs a bank account and a computer to get the best rate and credit card companies may charge their own fees to the sender. Digicel is offering this service without fees for the holiday season.

Like the banks, international money transfer operators and the mobile money services are licensed and monitored by the Reserve Bank of Fiji.

The fact is there are many new and improved and cheaper options to send money to Fiji. So help those who are generous with you and save them money. You can learn more about the cost of sending money home to Pacific countries from Australia and New Zealand using a website called www.sendmoneypacific.org. The site has links to all of those services mentioned in this article and lets you or your relatives to quickly compare what different options to send money, including how much it costs and how long it takes. If your relatives can compare, they can save money and help drive prices down. Since early 2009 when the website was launched and July 2011 costs from Australia have fallen by 6.3%^[1] and from New Zealand by 3.8%. For sending money from Australia the cost is now on average 18.1% and from New Zealand it is 14.8% and falling.

Your relatives sending money may not know all of these options. So call or text your family and friends overseas and tell them to go to www.sendmoneypacific.org. Most of these services also have help desks and phone support, so your relatives could call them to find out how to get the best rate to Fiji. **If everyone in Fiji started using lower cost options you could bring down the cost of sending money to \$F30 million or more. That might be a hundred dollars or more in savings for some senders each year. And aren't they worth it?**

[1] Percentage listed is percentage of AUD200 and NZD200 send amounts

-ENDS-

Mobile money transfers – how they work

Money is sent from overseas to Fiji via the phone from the sender's computer or smartphone. The money arrives straight to the phone and can be sent as money or top-up. If sent as money, the receivers can withdraw cash, purchase goods, top-up or pay bills with the registered utilities.

The receiver gets an SMS as soon as the money or top-up arrives. An access code is entered to see the amount of credit available and the money can be used. A menu will appear to allow a choice of how the money will be used. There is no time limit for using the money, and the phone effectively is used as a mobile wallet.

Benefits

- lower fees (means the receivers get more money than through some other means of transfer)
- money lands directly on the phone and can be used immediately
- it is safe and secure way of storing money (protected by a confidential access code)
- handy as it can be used in many ways (paying bills, withdrawing cash, mobile phone top-ups)
- many agents and outlets for the phone company to enable the transfer to happen
- 24/7 support in case of difficulties.

Activity

Students can create a poster or pamphlet outlining the different methods of transferring remittances, including mobile phone transfers. The poster or pamphlet could include the following:

- analysis of the different methods of money transfer mentioned in the article above, identifying the advantages and disadvantages of each method
- comparison of the various costs from different institutions by using www.sendmoneypacific.org (these pages have been attached for ease of use)
- calculation of the percentage of the initial amount paid in NZD or AUD that has been paid in fees
- for each bank does this change depending on the amount sent and the country it is coming from?
- which bank/methods would you recommend to different groups in your community and why?

4.2 Managing money over time

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- (a) identify personal expenses for different living situations and at different life stages
- (b) explain the role of budgets in managing spending and saving in the short and medium-term
- (c) set up a savings programme for both short and long-term goals
- (d) monitor the savings programme to achieve the short-term goal
- (e) demonstrate the impact of inflation on income.

Suggested time

As required

Resources

Attached

Vocabulary

Life stages	Goal setting	SMART goals
Inflation		

Key concepts

Inflation impacts on purchasing power of currency and income.

Goal-setting is critical to planning but goals may change over time.

Saving is a key activity for money management over time.

Lesson One

Different personal expenses

There are a variety of different expenses. The type and importance of these can be different depending on our age (life stage) or living situation.

When we are young, we tend to have greater disposable income and spend more of our income on discretionary expenses. As we get older we have less disposable income, as we are required to pay for fixed and variable expenses that are needed for survival. It is important during this time that we also prepare for times when we are no longer working (e.g. retirement or time off to have a family).

Living situations can also have a significant impact on our expenses. When we live with our family, we would generally have fewer fixed and variable expenses and more discretionary expenses.

Other situations may include:

- newly married living together
- a couple with children
- a single parent
- a couple with children overseas
- a retired couple.

Research activity: Changing expenditures

Research the types of expenses and approximate amounts people from different life stages and living situations spend their money on. Determine whether they are fixed, variable, irregular or discretionary.

Life stages:

- 15-20 years
- 21-40 years
- 41-65 years
- 65+ years.

Living situations

- newly married living together
- a couple with children
- a single parent
- a couple with children overseas
- a retired couple.

This activity can be completed as a group where each person has the task of researching a particular life stage and the information is then pooled together.

Students are to present this information as a poster with four pie graphs, one for each life stage, demonstrating the changing proportions on each type of expense. There should also be a summary about why the proportions are different.

Before you start the task:

As a class, you need to come up with a marking schedule. Include the 'must haves' and 'nice to haves' that you want for the poster.

Lesson Two

Role of budgets in managing spending and saving in the short and medium-term

Why do we need to budget?

Activity – thought shower

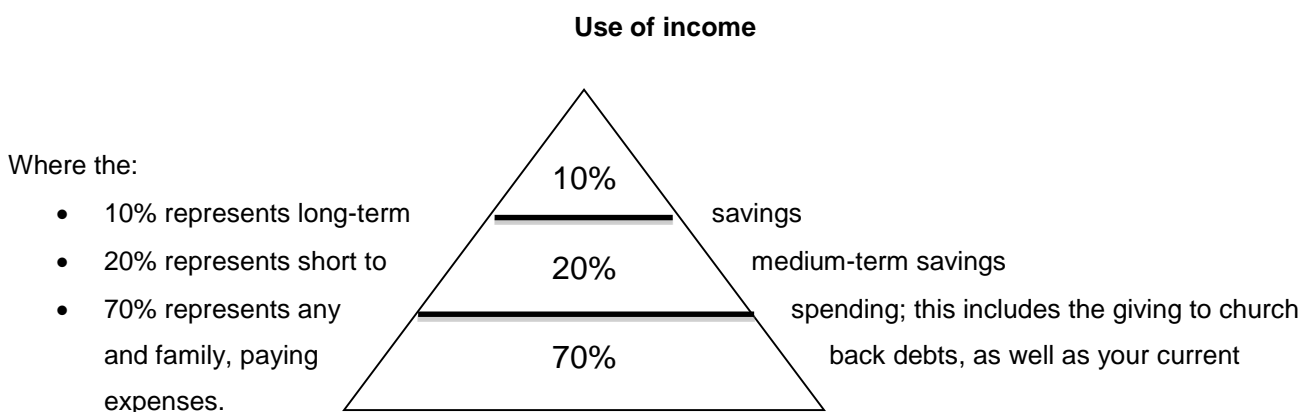
What does the word “budget” mean to you?

Often we have negative connotations to the word budget. It can mean “cheap”. We often think of a budget as a restriction on what we can do. The important thing to remember is that a budget actually enables us to plan to do things. If we plan our spending wisely, we can then ensure we can buy the things we really want, rather than wasting our money on impulse spending.

It is important that we manage our own money well so that we are not demanding others to help us all the time. We need to use the following ranked list when determining how we are going to use our income:

1. Save – short, medium and long-term.
2. Spend wisely – don't waste your hard earned income!
3. Share what you can.

A good way to do this is to use the following diagram



Goal-setting

The first thing we need to do is to set goals of what we want to achieve. If these are clear, then it is easier to stick to the plan/budget. Goals can be short, medium and long-term. The length of these terms often depends on the person's age.

There are a number of things you might be trying to achieve, e.g. paying for a school trip, buying a cell phone, saving for a holiday or university study.

Activity

1. What goals do you have that require money to achieve? Break them into short, medium and long-term (at least three different financial goals required).
2. Do the same task for other life stages.

Life stages

20-30 years

30-45 years

45-65 years

65+

Lesson Three

Setting up a savings programme to achieve short and long-term goals

A savings programme is much easier to stick to if your goals are SMART, that is:

- **s**pecific
- **m**easurable
- **a**chievable/attainable
- **r**ealistic/relevant
- **t**ime bound.

This way you know what it is you are trying to achieve and know when you have reached your goal. Using the use of income pyramid, it is possible to set up a short and long-term savings programme as a percentage of your income. It does not matter whether your income is small or large; it is the habits that are formed that are more important. The sooner you start a savings programme, the more successful it will be.

Activity

1. Turn the goals developed in the previous activity into SMART goals.
2. Where would be the best place to save/put your money for short-term goals? Long-term goals? Are they the same? Why/why not?

Monitoring your savings programme

Once you have set up a plan it is important to regularly check that it is achieving what you want and is helping you work towards your goals. The types of things you might want to check, in relation to your savings plan, could include:

- Have you kept up with your savings plan, e.g. the amount per week/month?
- Has the goal you are working towards changed, become cheaper/more expensive?
- Has the interest rate (or return) changed? Better/worse? Why?
- Have the fees changed?
- Should you change where you save your money? Why?

What other things might you want to check?

Impact of inflation on income

Inflation occurs when prices rise. The percentage of rise in prices is called the rate of inflation. The problem with inflation is that it unless your income increases at the same rate (or better than the inflation rate) it reduces your buying power. This means you can buy less in the future with the same income. It is possible to protect yourself somewhat from this by negotiating pay raises or ensuring that the return on any savings (interest) is higher than the inflation rate. Putting your money under your mattress does not protect it and so you will find you will not be able to buy as much at the end of the year compared to the beginning of the year.

The Tale of the TT2

Source: adapted with permission from the Reserve Bank of New Zealand's website:

<http://www.rbnz.govt.nz/education/0092903.html>

Kelera was going to the beach with her Dad and Grandma when she decided she really needed an ice-block. The sun was beating down on the car and the family dog was big and hot, leaning on Kelera's legs.

"It's really hot Dad", complained Kelera. "Could we stop and buy some ice-blocks?"

"Sure", replied her Dad, "as long as you get one each for your Grandma and me too!" He rummaged around for some coins and handed Kelera \$1.50.

"That's not enough – popsicles are 65 cents each. For three, I'll need ... umm, how much?"

Q1 How much is three times 65 cents?

"\$1.95", Grandma said. "Here's another 50 cents". Dad pulled up and Kelera jumped out of the car.

Q2 How much change will Kelera give back to her Grandma?

A moment or two later she was back with the three ice-blocks. "Do you know, Kelera", said Grandma, "that when I was your age, I could buy an ice-cream for a halfpenny – that's half a cent!"

Kelera was amazed. "Wow!" she said, "You can't buy anything for half a cent these days, not even a boiled lolly. How much were ice-blocks when you were a kid, Dad?"

"Ooh, let's see. TT2s were four cents, I think. That's what popsicles were called. Then, when I was a bit older, they changed the name to Moggymen!"

"TT2s! Moggymen! Way cool!" Kelera thought that was really funny. "How did you get change from a five cent coin if TT2s were only four cents?"

Her Dad explained that back then there were one and two cent coins, as well as five cent coins.

"So, how come ice-blocks still don't cost four cents?" asked Kelera. "If ice-blocks were still four cents, and I get \$5 a week for weeding Grandma's garden, then I could buy hundreds of ice-blocks each week!"

Q3 How many ice-blocks could Kelera buy with \$5.00, if ice-blocks still cost four cents each?

"Well, the prices of all sorts of things have gone up over the years. The price of a ticket to the movies now might cost more than last year and so might a loaf of bread or a pair of shoes. You know, I can remember when bread was 11 cents a loaf and a bottle of milk was four cents! If the price of lots of things goes up, that's called inflation. And of course I only got 50 cents pocket money a week when I was your age, so I could only buy a few ice-blocks." Kelera thought about this and said to herself: "So an ice-block was four cents when Dad was a kid and ice-blocks are 65 cents now".

Q4 How many times does four cents go into 65 cents? Is there any remainder?

"That's a difference of 61 cents! Did inflation make that happen, Dad?"

"You've got it", he replied. "If there's a lot of inflation, you can't buy as much with your pocket money. For example, an ice-block might cost 70 cents next year. Inflation means each year money is worth less and less".

"That's alright Dad – you can always give me more pocket money!" Kelera said.

"What if I'm a real meany and don't give you any more pocket money next year? My boss might decide not to pay me any more money!"

"But that's not fair!" cried Kelera. "How can I save up to buy those roller-blades if they go up in price and I'm not getting any more pocket money? I'll never be able to buy them!"

"Well, we'll see how things go", said her Dad. "We might be able to do a deal if you promise to give Muffin a bath more often!"

Kelera screwed up her nose, but thought that it sounded a pretty good deal.

Her thoughts were interrupted by her Dad's voice: "Hey, watch out Kelera – the dog's about to put his slobbery tongue on your popsicle!"

Activity

Ask your family (Mum, Dad, grandparents, aunts, uncles) about changing prices.

You could ask them how much things like milk or lollies cost when they were your age.

How much pocket money did they get (if any)?

Calculate the percentage change in amounts

Shopping list	1967	1995	Now?
Newspaper	4c	58c	
Rice (white, 500g)	13c	\$1.34	
Can of salmon (210g)	40c	\$2.14	
Tomato sauce (1 can)	22c	\$2.22	
Packet of frozen peas	22c	\$1.91	
Honey	27c	\$2.28	
Toilet paper (4 rolls)	36c	\$2.82	
Tennis balls (4)	\$1.38	\$18.78	

Source: Statistics New Zealand, New Zealand Official Yearbooks, 1968 and 1996

Impact of inflation on income

Remember, inflation decreases the purchasing power of your money. In times of inflation, the dollar you have today is able to buy less than you were able to buy the previous year. If prices of goods rise, but income does not, your income may not be enough to cover your expenses.

Activity 1

Fill in the table below to see how long it will be before you start to use your savings to pay for your expenses.

Year	Inflation rate during year	Total income	Savings	Total expenses
1	5%	\$10,000	\$1,000	\$9,000
2	5%	\$10,000	\$1,550	\$9,450
3	5%	\$10,000	\$1,628	\$9,922
4	5%	\$10,000	\$1,210	\$10,418
5	5%	\$10,000	\$271	\$10,939
6	5%	\$10,000	?	\$11,486
7	5%	\$10,000		

Activity 2

Answer the following questions:

1. Ana works part time as checkout operator earning \$120 a week. How could she protect herself against inflation over the next year? Why did you choose this method? How successful do you think it would be?

2. Tomu is a taxi driver. How could he protect himself against inflation over the next year? Why did you choose this method? How successful do you think it would be?

3. Anjani and Daven are retired and live on their superannuation savings. How could they protect themselves against inflation over the next year? Why did you choose this method? How successful do you think it would be?

4.3 Methods of payments

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- (a) describe how the barter system works
- (b) describe how money facilitates personal transactions
- (c) compare the advantages and disadvantages of using cash rather than cheques for payment of expenses
- (d) describe the function and use of documentation for banking activity (including remittances and money transfers)
- (e) compare and contrast different methods used for payment of expenses such as EFTPOS, credit card, mobile banking
- (f) describe the features of electronic banking (eBank).

Suggested time

As required

Resources

Barter activity cards (p.158)

Vocabulary

Barter	Double coincidence of wants	Medium of exchange
Legal tender	Cash	Cheque
Switch card (debit card)	Credit cards	Standing order
Direct debit	Banker's draft	Internet banking
Telephone banking	Mobile money	

Concepts

Money is a medium of exchange.

Methods of payment have changed as a result of technological advances.

Lesson One

Barter in Fiji

Barter is the exchange of goods and services for other goods and services without money. This is a very simple system is useful when two people/groups have what each other wants – this is called a “double coincidence of wants” and the people agree on the value of these goods/services. Barter could be in the form of one person fixing the roof of your house in exchange for a cow. Both people get what they want (you get your roof fixed and they get a cow to provide milk/meat).

Activities

- Come up with three more examples of barter.
- Describe how you (or your family) have used barter.

Play the barter game

Instructions – the teacher needs to cut up the cards on the attached sheet. (pg. 158)

Copy/enlarge the cards onto A3 paper/card.

Give one card per person (there are 35 cards – give more than one to each person if required).

Each person is to find the card they are after and swap by tearing the card in half and giving the “what they have” part to the person who wants it – once they have completed both parts of the trade they can sit down.

Note that the starting point is the person who wants their roof fixed.

- Identify some issues (other than not having double coincidence of wants) that could occur with barter.

Lesson Two

How does money facilitate personal exchange?

Money is merely a medium of exchange. On its own money is useless – you can’t eat it, drink it, live under it or wear it (unless you have a lot of it!).

Legal tender in Fiji is:

- (a) in the case of notes, for the payment of any amount
- (b) in the case of coins, if the coins have not been tampered with:
 - (i) in the case of coins of denominations in excess of \$1, for the payment of any amount
 - (ii) in the case of coins of denominations of \$1 or less (for payment of an amount not exceeding 50 times face value).

Source: Reserve Bank of Fiji Act [Cap 210]

- Why would it not be acceptable to pay for a TV with \$1 coins?

What are the different ways to pay money?

The following list will outline the different methods of payment where a bank would be involved. In this article, we refer to a 'creditor' as a 'person/institution that you wish to make a payment to'. You can transfer money to an individual or organisation.

Cash

You can pay a creditor with cash (notes and coins), which can exchange hands immediately.

Cheque

Cheques can be issued to the creditor, which may be accompanied by a cheque guarantee card. For large amounts, this can be the most secure method of payment compared to exchanging cash. Cheques can also be used to send payment via post conveniently.

It is common for your account to be debited within five working days after the creditor deposits the cheque into their bank account. Also remember that:

1. A cheque is written (made payable to the creditor) and signed by you.
2. The creditor deposits the cheque at their bank.
3. After routine checks, the amount is debited from your bank account (within five working days).

EFTPOS debit card

A debit card is an electronic payment that is accepted by most retailers. In most cases, the payment will be debited from your account on the same day, but occasionally it can take up to two working days for the amount to be debited. In addition, there is usually no limit on the amount you can spend with your debit card (unless stated by the creditor's policy). It is a common method of payment and is usually regarded as a good (and safer) substitute to carrying cash. The creditor swipes your card through a machine. You enter your PIN to confirm the transaction. The amount is debited from your bank account within two working days.

Credit cards

There are several companies (Visa, MasterCard etc) that offer credit to people with varying interest rates. The repayments are usually paid back in instalments on a monthly basis until the credit is paid off: the credit company will set a minimum payment each month. Interest is usually calculated on a monthly basis on the outstanding amount owed. Failure to make a monthly repayment will incur extra charges (in addition to a poor credit record with the company). You can pay the credit company using a variety of methods – direct debit from your bank account, or cheque are the main methods that credit companies usually prefer.

1. The creditor swipes your credit card through a machine.
2. You enter your PIN to confirm the transaction.
3. The credit company sends you a monthly statement.
4. You send a valid form of payment (at least the minimum payment) to the credit card company.

Automatic payment (AP)

An automatic payment is a request to your bank to make fixed regular payments (weekly, monthly etc) from your bank account to a creditor's bank account – should this be within the same bank or another bank. Your bank will then make sure that the payment will be regularly debited from your account as you requested until you cancel the AP. For example, you could set up an AP to debit your account \$100 on the 1st of every month to be paid into the creditor's bank account (until the full amount is paid). An AP will prevent the need for regular cheque writing and give you the peace of mind that you will not miss a payment deadline (if this is the case). It does not cost anything to set up or cancel a standing order. Note that:

1. You set up an AP with your bank
2. The amount is regularly debited (as you requested) from your bank account.
3. The amount will continue to be regularly debited until you cancel the AP.

Direct debit (DD)

A creditor, with your permission, can set up a direct debit with your bank which will debit money from your account directly into theirs on request. This can be used for one-off payments (such as an online shopping purchase), but perhaps most common with regular payments such as paying off a loan. Direct debits are also popular for regular payments where the amounts change each month (or week etc), for example, mobile phone bills. Creditors usually prefer this method when it involves regular payments as they are comforted by the guarantee of being paid each month (or week etc), given that you have enough money in your account.

1. You give your bank account details to the creditor.
2. The creditor contacts your bank to and confirms your agreement of a direct debit.
3. The creditor requests the money from your bank account.
4. The amount is immediately debited from your account.

Direct credit payment by electronic transfer (DC)

A direct credit payment can be set up (by you) to electronically transfer money direct from your bank account to a creditor's bank account. This will involve obtaining the creditor's bank details to set up such a payment. Money from your account can then be credited to the creditor's bank account as and when you need to. A direct credit payment can usually take up to two working days to clear.

Direct credit payments are popular for paying staff – wages are transferred direct from the business bank account to the employees' bank accounts. In fact, today, it is the most common way for an employee to be paid.

1. You obtain the bank details of the creditor.
2. You set up a direct credit payment with the bank.
3. You credit the creditor's bank account with the required amount – debited from your account.

Banker's draft

A banker's draft is similar to a cheque with the exception that the money has already been debited from your account – thus giving the creditor satisfaction that they will be paid the amount required.

You must give notice to the bank that you require a banker's draft (usually 24 hours) so that they can prepare the draft and check that you have enough money in your account. There may also be a small fee to pay for issuing a banker's draft.

Internet banking

If you have access to internet banking, you can often make payments to creditors online. This is a very convenient way of paying bills and transferring money between accounts. Internet banking can usually accommodate for a number of payment methods – set up and managed by yourself – such as standing orders and BACS payments.

Telephone banking

Just like internet banking, you can make payments to creditors using telephone banking. This is a very convenient way of paying bills and transferring money between accounts. Telephone banking can usually accommodate for a number of payment methods such as APs and direct credit (BACS) payments.

Adapted from:

Source: <http://www.bizhelp24.com/small-business/what-are-the-different-ways-to-pay-money.html>

Activity

Identify convenient methods of payment for the following types of transactions:

Transaction	Method(s) of payment
a. Payment to a tradesman in another village	
b. Payment for groceries at the supermarket	
c. Payment for a pair of shoes at a shoe shop	
d. Paying staff their wages	
e. Payment of a mortgage	
f. Payment of a utility account (power, telephone)	
g. Payment by an importer to an exporter	
h. Reimburse a friend who bought you something overseas	
i. Payment to a shoeshine boy	
j. Payment for an airfare bought online	
k. Payment for petrol at a service station	
l. Parking meter payment	
m. Payment for lunch bought at a sandwich bar	
n. Payment of hire purchase instalments	
o. Payment of rent to a landlord	
p. Donations to the local church	
q. Payment for movie tickets	

BLOG: Mobile Money Technology – Why do Tom, Mere or Hari need it?

By: Mereseini Senikau-Tuivuniwai



What exactly is mobile money?

It's not cash appearing out of your phones or tap water running off your mobile phones. ***So what is it? What are those advertisements talking about?*** Why are fish suddenly falling from the sky? Over the last two years, the Pacific Financial Inclusion Programme (PFIP) has been working in partnership with AusAID to identify innovative ways to provide access to financial products to the low income population of Fiji. Mobile money services are an innovative and cost effective way of reaching this vulnerable population. It helps to reduce the cost of transactions and is a convenient method to send and receive money, pay bills and a safe place to store money (mobile wallet).

Vodafone's MPAiSA or Digicel Mobile Money is an alternative method of payment providing users with an instant, secure, affordable and convenient means of accessing financial services anywhere in Fiji using the two major networks. Registration to this service is free of charge and when you store money on your mobile, there are no maintenance charges. Like they say, ***"your mobile is your bank!"*** The service is designed so that anybody on the street, from a shoe shine boy, a factory worker, a disabled person, anybody on an island from a farmer, a single mother, and a teacher can easily register for mobile money. And they would all be able to pay utility bills, hire purchase payments and send money from the comfort of their living rooms or under a coconut tree in the village without having to incur transportations costs. It's all instant with just a few clicks.

What use is mobile money to me?

At a recent mobile money training, the people of Savusavu related how convenient mobile money would be to their everyday lives. Villagers in their district would spend one to three hours travelling to Savusavu town to pay their bills, buy groceries and other necessities, sometimes spending as much as \$10 alone on transportation costs. With mobile money service, they can pay their FEA bills, courts payments etc without having to travel into town.

In 2010, PFIP gave grants to the two leading mobile money companies in Fiji to launch their mobile money services in 2010. There has been great success in reaching large number in subscriptions; however to date the usage of this service still remains low and this is not uncommon in other parts of the world where mobile money has been introduced. To explore the traction of mobile money in Fiji, PFIP in partnership with Tebbutt Research conducted a survey* across 1020 households in Fiji in December of last year. The aim of the survey was to analyze the factors that prevented people from using these services and to gather people's perception on the use of mobile money and their reluctance to use this service.

<http://www.pfip.org/media-centre/press-releases/blog-mobile-money-technology-why-does-tom-mere-hari-need-it.html>

Activity

Read the article on mobile money technology.

- Describe how mobile banking works.
- How could your family use this?
- What are the advantages?
- What might be some risks/disadvantages?
- Compare the use of this technology to using cash or cheques.

Assessed activity

You have been contracted by a telephone company to design a flyer that advertises the advantages of mobile money technology in order to get more Fijian customers. Use the above article and any other research to help you produce this.

Before you start the task

As a class, you need to come up with a marking schedule. Include the 'must haves' and 'nice to haves' that you want for the brochure.

Function and use of documentation for banking activities

Each transaction you complete with the bank can be found on a document. The reason for this is so that the customer (you) can trace any deposit or withdrawal. The most common and useful document is the **bank statement**.

It is important that you check your bank statement either online regularly if you can or the paper version as soon as it arrives. This way you can check if all deposits (including expected remittances and money transfers) have been credited to your account and if all withdrawals (especially cheques) have been accounted for. As you have no control over when a cheque is presented at the bank, you have to make sure you always have that money available so it does not 'bounce' and you are charged with extra fees.

- What other documents could you refer to when checking the bank statement?
- What would be a suitable method of storing/filing these documents?

Lesson Three

Advantages and disadvantages of cash, cheques and other payment methods

There are a number of advantages and disadvantages of different methods of payment. They are related to the risks of being stolen and managing your money. The two most important things to remember when managing your money are to:

1. stay within your means; and
2. know where your money is coming from and where it is going.

Group/class activity

For each payment type one advantage/disadvantage has been given. In pairs come up with at least one more advantage/disadvantage.

Assessed individual assignment

Use the completed table to produce a pamphlet/booklet which gives an overview of all the different methods of payment to provide advice to families giving both advantages/disadvantages as well as the best time to use the different method, i.e. which types of payments/expenses should be paid with each method.

Ensure the language is appropriate and has the 'wow' factor, which makes it interesting for people to read.

Before you start the task:

As a class, you need to come up with a marking schedule. Include the 'must haves' and 'nice to haves' that you want for the brochure.

- What is the difference between EFTPOS and credit card payments?
- Describe the benefits of electronic banking.

Advantages and disadvantages of payment methods

	Advantages	Disadvantages
Cash	<ul style="list-style-type: none"> Can't spend what you don't have 	<ul style="list-style-type: none"> If stolen/lost you can't prove ownership
Cheques	<ul style="list-style-type: none"> There is a document to prove where money has been spent – can be traced by the bank and is on the bank statement 	<ul style="list-style-type: none"> It is possible to 'bounce' a cheque if the money is not in the account when it is presented. Cheques can take a while to be presented and therefore be difficult to manage when the money is coming out.
Debit cards	<ul style="list-style-type: none"> All transactions can be traced through the bank statement 	<ul style="list-style-type: none"> Possible to impulse spend
eBank		
Mobile money	<ul style="list-style-type: none"> Easy to use once set up 	<ul style="list-style-type: none"> Have to have the money loaded onto your phone in advance
Internet banking	<ul style="list-style-type: none"> Ensures the payment is made immediately 	<ul style="list-style-type: none"> If someone gets your customer ID and password they can transfer money without you knowing
Telephone banking	<ul style="list-style-type: none"> Can make payments 24/7 from home 	<ul style="list-style-type: none"> Old people can struggle with it, especially if they are not good with a telephone key pad
Credit payments		
Credit cards	<ul style="list-style-type: none"> Can take advantage of specials 	<ul style="list-style-type: none"> Often spending money you don't have and leads to increased debt which has to be paid back often with very high interest
Hire Purchase	<ul style="list-style-type: none"> Can buy large ticket items – sometimes with interest-free periods 	<ul style="list-style-type: none"> If you don't pay within the interest-free period, the interest can be very high and back-dates for the whole time of the contract
Store cards	<ul style="list-style-type: none"> May come with customer loyalty points and lead to discounts 	<ul style="list-style-type: none"> Often have high interest charges and annual fees

4.4 Personal and family budgeting

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- (a) describe the different parts which make up a personal/family budget
- (b) identify the source documents which are evidence of income and expenditure items of a budget
- (c) interpret documents related to the spending of income including VAT
- (d) identify ways to keep personal financial records
- (e) prepare a budget for an individual and family.

Suggested time

As required

Resources

As in the Resource Manual

Vocabulary

Fixed (income or expenses)	Variable (income or expenses)	Remittances
Irregular (income or expenses)	Essential expenses (fixed or variable)	Discretionary expenses
Budget	Source documents	VAT (value added tax)
Documents		

Key concepts

Managing your income requires a plan.

Personal values and goals should be considered when developing a successful budget.

Budgeting is an essential life-time skill.

A budget should balance the income earned with the amount spent and saved.

A budget should be based on an accurate record of expenditure.

A budget should be evaluated and adjusted regularly to meet changing circumstances.

Financial records are required to monitor a budget.

Lesson One

Describe the different parts which make up a personal/family budget

There are three parts to a budget:

- income
- expenditure
- savings

Types of income and source documents

Fixed income is that which is the same every week, irrespective of the number of hours worked, e.g. annual salary. Note that:

- *variable income* is that which changes, depending on the number of hours worked or items sold, e.g. hourly wages, commission
- *remittances* are money received from friends or relatives (could be regular or irregular)
- *irregular income* comes from work undertaken on an intermittent basis, e.g. income from agricultural produce.

Each of these forms of income can be traced back to a source document and should be used to help generate the budget.

For each of the types of income above, identify the source document it could be found on.

Types of expenses and their source documents

There are a number of types of expenses – essential (fixed, variable), discretionary and irregular:

- *essential expenses* are those that have to be paid regardless of the level of income (they can be fixed or variable expenses)
- *fixed expenses* are those that are the same amount each week/month/year, e.g. rent, hire purchase repayments
- *variable expenses* are those that change depending on usage, e.g. electricity bill
- *discretionary expenses* are money that you do not have to spend, e.g. entertainment
- *irregular expenses* are those that are important, but don't come up very often, e.g. repair the car when it breaks down or birthday presents.

For each of the above groups identify **four** more expenses that your family (or people from your community) has to pay.

As for income, each expense will have a source document that can verify the expense and can be used to help develop a budget. It can also be used to check that the expense is valid. There are scams that send fake invoices in the hope you will pay it anyway.

- How could you avoid being scammed by this type of invoice?
- For each of the expenses above, identify a likely source document the transaction can be recorded on.

Savings

Savings is actually paying yourself and allows you to meet your goals. You should always try to pay yourself first and adjust your spending patterns to allow this to occur.

Research activity: Our family income and expenditure

On an annual basis, what percentage of our family income comes from the different sources of income?

Income area	Percentage
Fixed	
Variable	
Remittances	
Irregular	
Total	100%

On an annual basis, what percentage of our family income is spent on these various areas?

Expense area	Percentage	National Fiji Stats*
Food		40.29%
Alcoholic drinks and tobacco		5.42%
Housing		9.93%
Heating and lighting		9.22%
Durable household goods		2.12%
Clothing and footwear		2.96%
Transportation		16.24%
Services		8.63%
Miscellaneous		5.19%
Total	100%	100%

Source*: <http://www.statsfiji.gov.fj/cens&surveys/HIES.htm> (2005)

Decide whether the following items are examples of fixed expenses, variable expenses or discretionary spending.

A magazine and a can of lemonade

This month's rent

School books

Motor cycle insurance payment

School bus pass

This month's electricity bill

Mobile phone top-up

Takeaway food on the way home from school

A new mobile phone

Downloadable songs from the internet

New pair of sports shoes

Weekly deposit into your savings account

Car warrant of fitness

Food for tonight's dinner

Gift for friend's birthday

Ticket to rugby game

Class discussion

Did all class members classify these items in the same way? Explain your point of view.

Scenario

You have just won \$150 in a bank sponsored essay competition. The essay was entitled 'How to be a better saver'.

List the items you would choose to spend the prize money on. Is the item a need or a want, and how much would you spend on it? Make sure your spending/saving totals \$150.

Item	Essential/discretionary	Amount spent?

Just after you prepared your list, the bank says that they made a mistake and your prize was worth \$75. Re-visit your list.

Item	Essential/discretionary	Amount spent?

Explain your adjustments. How are your values reflected in your revised choices?

Lesson Two

Source documents as evidence of income and spending.

Income is often documented on a payslip.

Pay statement for:

Name	Rahul Sharma
Tax code	M
Superannuation deduction	8%
TIN	37-5981-0-1

Pay details

Pay period start date	15/11/2011
Pay frequency	Weekly
Pay amount (annual)	\$36,500
Pay amount (weekly)	\$701.92

Calculations

Gross income (weekly)		\$701.92	
	Minus		
Tax deductions		\$58.81	
	Minus		
Superannuation employee deductions		\$56.15	
	Equals		
Net payment		\$586.96	

- Is the tax calculation correct?
- What other information should Rahul check on his payslip?

Answers: that he is being paid for the correct gross, on the right tax code, the deductions are correct, and that he is being paid for the correct timeframe etc.

Expenditure documents

Spending can be documented on (for example):

- a cash register receipt (e.g. shopping docket)
- an invoice (e.g. for household expenses like telephone, school fees, transportation, electricity, water meter)
- a credit card statement
- a bank statement.

Document activities

1 Cash register receipt

Super Specials Supermarket
12 Hill Street
Lautoka
Tel: 367 0521

0.8kg Chicken drumsticks	\$8.79
Mustard Cabbage	\$2.09
1.5 kg Pears (Packham)	\$5.15
Instant coffee	\$5.99
Cream 250 ml	\$1.50
Chocolate ice cream	\$3.98
Total	\$27.50

VAT No.47-729404-9-1
 Cashier Name: Afa
 15 Jan 2012 12.56pm

😊 Thank you for shopping with us 😊

- 1 Who produced the receipt?
- 2 What items on the receipt should be checked?
- 3 What is the purpose of the supermarket docket?
- 4 When was it processed?

LABASA

GARAGE

Labasa Garage
 19 Kadavu Drive
 Labasa
 Phone 213 4558

13 January 2012

VAT No. 15-03127-8-2

Invoice for services (all prices are VAT inclusive)	Invoice No: 5813
Warrant of fitness	25
Radiator replacement	460
Tyre replacement	90
Total	\$575

All repairs must be paid for prior to picking up the car

- If you owned the car, what would you check?
- Did Labasa Garage do the work on the car that they are charging for?
- Is the total correct?
- How soon is the total amount of money due?

Utility bills

Scenario 1 – The electricity bill

Kai has just moved to another village and has decided to live with three friends. He is a bit short of money as he has had Christmas expenses, been for a holiday at the beach and had extra costs setting up in his new accommodation.

The first electricity account since he moved in has just arrived. Kai is surprised at the amount that has been charged and starts to carefully check the bill. His friends told him that they paid the last bill of \$55.01 before it was due.

- (a) List four pieces of information that you consider that Kai should carefully check.

Any four of: date of start of invoice period, date of finish of invoice period that the invoice is actually for this flat, that any payments made in the invoice period have been correctly recorded, and that the meter readings and the electricity appear to be correct.

- (b) Write down three pieces of information that you consider are probably correct.

Any three of: address to which the electricity has been supplied, the charges for supplying the electricity, the meter number, the amount of electricity used, any other reasonable answer.

- (c) What important pieces of information are missing from this bill?

Cost per unit of electricity.

- (d) What advice would you give Kai so that he can get enough information to carefully check the bill?

Read the meter and check that the electricity usage is as expected (based on previous year and any other known periods of extra/less use), check that the payments that appear match those that were paid, any other reasonable answer.

Hi Energy Electricity

Hi Energy Electricity

12 Pylon Street

Nadi

Phone 123 4567

Customer account no: 98765**Electricity supplied to:**

47 Watt Street

Nadi

VAT No. 20-91210-0-3

Previous charges

Total amount due at last billing

Payment 18/01/12 – thank you

Previous balance

Account balance**Amount due**

\$ 55.01

\$ 45.01 CR

\$ 10.00

\$ 10.00

Current charges

Customer charge

\$ 9.75

Delivery charge

\$ 12.80

Transition charge

\$ 5.31

Transmission charge

\$ 12.31

Generation related component

\$ 203.09

Total current charges

\$ 243.26

\$ 253.26

Payment details

Account balance (if paid by 23/02/2012)

\$ 253.26

Amount due after 23/02/2012

\$ 278.59

Usage information

Meter no.	Service period			Meter reading		Usage
98765	From	To	No. of days	From	To	
	02/01/2012	03/01/2012	33	43333A	44206A	873

CD - Read Code: A = Actual Reading E = Estimated Reading

Month	Usage	Month	Usage		Month	Usage	Month	Usage
Feb 11	522	May 11	478		Aug 11	855	Nov 11	555
Mar 11	368	Jun 11	609		Sep 11	831	Dec 11	467
Apr 11	544	Jul 11	968		Oct 11	609	Jan 12	873

Average monthly usage:

640 KWh

Total usage (past 12 months):

7679 KWh

Scenario 2 – The Everyday Phones phone bill

Kai's friend, Mosese, received the monthly phone bill for the flat phone for September. He said he paid the full amount \$72.53 on 9 August and \$93.07 on 9 September and has asked Kai to take a look at it for him.

- (a) List four pieces of information that you consider that Kai should carefully check.

Any four of: date of start of invoice period, date of finish of invoice period that the invoice is actually for this house, that any payments made in the invoice period have been correctly recorded, any other reasonable answer.

- (b) Write down three pieces of information that you consider are probably correct.

Any three of: Address to which the phone services have been supplied, the charges for supplying the phone, call details, any other reasonable answer.

- (c) What important pieces of information are incorrectly recorded?

**The credit card payment on 9 September (figures transposed)
Total amount due 18 October (figures transposed)
Discounted amount (9 October)**

- (d) What advice would you give Kai so that he could get carefully check the bill?

He should check Mosese's bank account to see whether the amount paid was correct as he could have paid \$39.07 instead of \$93.07 by mistake. If the amount paid was correct they should contact the phone company and ask them to investigate the amount paid.

EveryDay Phones statement	Customer No.	50226251
17 Hill Road	Invoice no.	13627412
Suva	Invoice date	1 September 2012
VAT No. 25-40075-4-4		

EveryDay Phones contact	Customer	Mosese Rokoura
T 0800 23455 67899		47 Watt Street
F 0800 23455 67800		Nadi
W customerservices@everydayphones.co.fj		

Recent transactions

1 August 2012	Opening balance from last statement	80.59
9 August 2012	Prompt payment discount	-8.06
9 August 2012	Credit card payment	-72.53
	Outstanding balance	\$0.00

This invoice**Phone charges +679 441 0045**

Monthly fee (phone features)	70.66
Monthly fee (wiring and maintenance)	2.25
Directory assistance charge (one call)	0.55
Total phone charges	73.46

Internet charges 29.95

Invoice total (including VAT) **103.41**

Payment details

Total amount due by 18 September 2012	\$103.41
Discounted amount if paid before 9 September	\$93.07

EveryDay Phones statement	Customer No.	50226251
17 Hill Road	Invoice no.	13627412
Suva	Invoice date	1 October 2012
VAT No. 25-40075-4-4		

Phonics Phone contact	Customer	Mosese Rokoura
T 0800 23455 67899		47 Watt Street
F 0800 23455 67800		Nadi
W customerservices@everydayphones.co.fj		

Recent transactions

1 September 2012	Opening balance from last statement	103.41
9 September 2012	Prompt payment discount	-10.34
9 September 2012	Credit card payment	-39.07
	Outstanding balance	\$54.00

This invoice**Phone charges +679 441 0045**

Monthly fee (phone features)	70.66
Monthly fee (wiring and maintenance)	2.25
Directory assistance charge (six calls)	3.30
Total phone charges	76.21

Internet charges 29.95

Invoice total (including VAT) 106.16

Payment details

Total amount due by 18 October 2012	\$160.16
Discounted amount if paid before 9 October	\$144.14

Scenario 3 - Credit card statements

It is the end of the month and Amira has just received her monthly credit card statement.

Amira's credit card statement

Miss Amira Patel
12 Nausori Street
Sigatoka

31 January 2012
Statement no. 78

Fiji Bank
 Kadavu Road
 Suva
 VAT No. 21-44226-9-5
 Telephone: 0800 368 3774
 e-mail: support@fijibank.co.fj

Your statement for account no.

7777 8899 0121 0554

Current interest rate 20.5% p.a.

Previous balance	\$254.39
Payments received – thank you	\$100.00
Purchases this month	\$142.70
Current balance	\$297.09
Current minimum payment due	\$14.85
Due date	15 February 2012

Purchases this month

16 January Internet ticket booking	\$19.57
18 January Sigatoka Fuelstop	\$43.89
19 January Super Specials Supermarket	\$50.95
22 January Super Specials Supermarket	\$5.65
30 January Everyday Phones	\$20.00
31 January Interest	\$2.64
Total purchases	\$142.70

1. Use the above credit card statement to answer the following questions:

(a) Why did Amira get this financial document?

**So she could check the items she had purchased, check any payments she had made,
 and to inform her of how much she has to pay.**

(b) Who sent it to her?

Fiji Bank.

- (c) Write down the details of two different ways that Amira can contact the business that sent her this credit card statement?

Any two of: postal address - Kadavu Road, Suva, telephone: 0800 368 3774,

email: support@fijibank.co.fj

- (d) How much did Amira pay into her credit card account in the previous month?

\$100.00.

- (e) What is Amira's closing balance?

\$297.09.

- (f) By what date should Amira make her next payment?

15 February 2012.

- (g) What is the minimum amount Amira can pay into her credit card account?

\$14.85.

- (h) Explain why there is an interest charge of \$2.64 on Amira's statement.

This is because Amira only paid part of the outstanding balance. This means that the bank "lent her the amount she did not pay in full" so they have charged her interest for doing this.

2. On 12 February Amira went to the bank and paid off the current balance using a cheque for \$297.09. In February she paid \$61.90 for groceries at Super Specials Supermarket, topped up her cell phone with \$20, paid \$39.95 for some petrol in her car and paid \$35 for a gift voucher from Music Unlimited for a friend.

Miss Amira Patel
12 Nausori Street
Sigatoka

28 February 2012
Statement no. 79

Fiji Bank
 Kadavu Road
 Suva
 VAT No. 21-44226-9-5
 Telephone: 0800 368 3774
 e-mail: support@fijibank.co.fj

Your statement for account no.

7777 8899 0121 0554

Current interest rate 20.5% p.a.

Previous balance	\$297.09
Payments received – thank you	\$297.09
Purchases this month	\$208.75
Current balance	\$208.75
Current minimum payment due	\$10.44
Due date	15 March 2012

Purchases this month

16 February Sigatoka Fuelstop	\$39.95
19 February Super Specials Supermarket	\$61.90
27 February Everyday Phones – mobile top-up	\$20.00
27 February Music Unlimited	\$35.00
27 February Super Specials Supermarket	\$51.90
Total purchases	\$208.75

- (a) List four pieces of information that you consider that Amira should carefully check.

Any four from: is it her credit card statement, has it actually been sent from the bank, the purchases listed, the amounts paid, the calculations, any other reasonable answer.

- (b) Write down three pieces of information that are correct on invoice.

Any three of: the customer name and contact details, the date of the statement, the amount paid off the balance last month, the purchases other than the one listed below, any other reasonable response.

- (c) Identify one piece of information that is incorrect. Explain why it is incorrect.

The second purchase from Super Specials Supermarket is an incorrect entry. Only the first amount (\$61.90) should be there.

- (d) Amira wishes to register a complaint in writing. Explain how she should do this and what information she should include.

Write a letter querying the statement and itemising the details of the error.

Scenario 4 - Bank statements

It is the end of the month and Timoci has just received his monthly bank statement.

Timoci's bank statement

Mr Timoci Clarke
72 Queen Avenue
Ba

31 January 2012
Statement no. 33

Your statement for account no. 08 4501 6782 00

Fiji Bank
 Kadavu Road
 Suva
 VAT No. 21-44226-9-5
 Telephone: 0800 368
 3774
 e-mail:
 support@fijibank.co.fj

Transactions this month

1 January 2012	Balance forward		\$12.83
3 January 2012	Deposit	\$125.89	\$138.72
5 January 2012	ATM withdrawal	\$60.00	\$78.72
8 January 2012	AP – Everyday Phones	\$25.00	\$53.72
15 January 2012	Deposit	\$125.89	\$179.61
16 January 2012	ATM withdrawal	\$40.00	\$139.61
24 January 2012	EFTPOS – Fuelstop	\$52.83	\$86.78
29 January 2012	Deposit	\$125.89	\$212.67

1. Use the above bank statement to answer the following questions:

(a) Why did Timoci get this financial document?

To check the transactions that have occurred, to inform Timoci of his current balance.

(b) Who sent it to him?

Fiji Bank.

(c) Write down the details of two different ways that Timoci can contact the business that sent him this credit card statement?

Kadavu Road, Suva, telephone: 0800 368 3774, email: support@fijibank.co.fj.

(d) What is Timoci's closing balance?

\$212.67.

(e) What would you advise Timoci to do to check the accuracy of these transactions. He doesn't remember withdrawing \$40 at the ATM and he cannot find the transaction document (he is not good at this!).

First, Timoci should check the receipts he got for the transaction records he got from the ATM and EFTPOS sale to see whether or not they have been recorded correctly. He needs to check if he alone has used his EFTPOS card and not lent it to anyone.

Assessed activity

Part 1 Documents (weighting 80%)

Collect a source document that represents each type of expense (minimum of four documents in total required). For each document:

- identify the important pieces of information
- explain why each piece of information is important
- explain how this piece of information is useful to the household.

Part 2 Storage (weighting 20%)

Students to ask their family:

- How do they store their bank statements?
- How do they store their credit card statements?
- How do they store their invoices, receipts and other income/expenditure documents?
- What is the purpose of keeping these documents?
- How long should documents be kept for?

Students could add to this question list. This should be presented as a poster or some other visual presentation.

Assessment marking schedule

Documents (x four)

0 = document not submitted

1 = document is submitted but not appropriate

2 = document has only basic information identified

3 = all important information identified and an attempt to explain why that information is important **or** how it could be useful to the household

4 = all important information is identified in context and **fully explained** why that information is important **or** how it could be useful to the household

5 = all important information is identified in context and **fully explained** as to why it is important **and** how it could be useful to the household.

Storage

0 = task not submitted

1 = two questions answered but answer showed no progress towards competency

2 = three questions answered at a beginner level of knowledge

3 = showed capability, has an understanding of the ideas but is unable to explain why each document should be kept

4 = showed capability, has an understanding of the ideas and is able to explain why each document should be kept

5 = showed capability, has an understanding of the ideas and is able to explain why each document should be kept and has asked other relevant questions and has provided fully explained responses.

Note to teachers: It is necessary to emphasise with students before they undertake their collection of the source documents that no confidential information is required. Financial documents could be photocopied and have confidential information removed or blacked out. Alternatively, the students could draw their own version based on an actual document.

Lesson Three

Prepare a budget for an individual or a family

A budget is made up of three areas:

- income
- expenditure
- savings.

There should NEVER be a deficit in a budget where your spending and savings are greater than your income. However, there can be a surplus. Rather than just letting this money be spent on unnecessary items, it can be an opportunity to save more and plan to reach other goals.

A simple budget for an individual

Tiare is not sure if her income will cover her expenses for the next **four weeks**. Help her prepare a budget.

Check out this information:

- she donates \$2 each week to her local church
- a friend said he will buy a computer game from her for \$5
- it is her turn to bring the half-time refreshments to her sports teams' game this month (cost \$6)
- she receives \$2.50 for helping her grandmother with the shopping each week
- she needs new laces for her sports shoe (\$3.50)
- her dad gives her \$2 each week for her share of the household chores
- she receives a belated birthday gift from an aunt in New Zealand (\$20)
- Tiare wants to buy a new CD (\$10)
- she wants to keep up her savings \$3 a week.

Tiare's four-weekly budget

Income	\$	Expenses	\$
		Savings	
Total		Total	
Balance:			

- Can she afford to do everything?
- Identify each income type (fixed, variable, remittances, irregular).
- Identify each expenditure type (essential (fixed or variable), discretionary, irregular).

Here is a good example of a budget layout: **Budget format for the month of** _____

Receipts/income (regular) (for example)		
Pocket money/allowances	\$	
Wage (or salary)	\$	
Remittances	\$	
Grant/bursary	\$	
Estimated variable receipts/income (for example)		
Neighbourhood jobs	\$	
Babysitting	\$	\$
Total income		\$
Expenses		
Essentials		
Fixed expenses (for example)		
Transport	\$	
Board/rent/mortgage	\$	
Credit card repayment		
Insurance	\$	
Other fixed essentials e.g. hire purchase	\$	\$
Variable or mixed expenses (for example)		
Food	\$	
Telephone	\$	
Petrol	\$	
Cell phone (if on contract)	\$	
Electricity costs	\$	
Other e.g. medical costs, house maintenance	\$	\$
Discretionary (for example)		
Clothes and shoes	\$	
Entertainment	\$	
Magazines/books	\$	
Presents	\$	
Snack food	\$	
Cell phone (if on prepay)	\$	
Donations	\$	
Sports/hobbies	\$	
Haircuts/personal services	\$	\$
Total expenses		\$
Savings		\$
Total payments & savings		\$
Surplus/deficit (Receipts less total payments and savings)		\$

CONVERSIONS

Use this as a friendly reminder if you require conversions from:

<i>Annual to monthly</i>	<i>divide the annual amount by 12 (12 months in a year)</i>
<i>Annual to fortnightly</i>	<i>divide the annual amount by 26 (26 fortnights in a year)</i>
<i>Annual to weekly</i>	<i>divide the annual amount by 52 (52 weeks in a year)</i>
<i>Monthly to weekly</i>	<i>multiply the monthly amount by 12 and then divide by 52</i>
<i>Monthly to fortnightly</i>	<i>multiply the monthly amount by 12 and then divide by 26</i>
<i>Weekly to fortnightly</i>	<i>multiply by 2</i>

Family budget

Jope and Salote have decided they need to know where their money is going. They have recently bought a house and do not want to get behind in their mortgage repayments.

Jope and Salote's weekly budget

Receipts/income		Working	Amount per week	Fixed/variable/ discretionary
Salote's net salary	\$18,980 per year	18,980/52	365.00	
Joep's net salary	\$20,000 per year	20,020/52 =	385.00	
Total income			750.00	
Payments				
Mortgage repayments	\$980 per month	(980x12)/52 =	226.15	F
Rates and house maintenance	\$150 per month	(150x12)/52 =	34.62	V
Electricity (average)	\$100 per month	(100x12)/52 =	23.08	V
Telephone	\$50 per month	(50x12)/52 =	11.54	V
Food	\$75 per week		75.00	V
Clothes and shoes	\$35 per week		35.00	D
Credit card repayment	\$350 per month	(350x12)/52 =	80.77	V
Petrol	\$80 a week		80.00	V
Medical costs	\$15 a fortnight	15/2 =	7.50	V
Car repayment	\$600 per month	(600x12)/52 =	138.46	F
Church donations	\$25 per week		25.00	D
Pay TV	\$75 a month	(75x12)/52 =	17.31	D
Total expenses			754.43	

Savings

Joep and Salote have friends coming from overseas for a holiday. They want to save \$50 per week towards the costs of travelling around with them.

Step 1 – Calculate the weekly amounts for the receipts and payments. Remember 2 d.p.

Step 2 – Which of these expenses are fixed and which are variable?

Step 3 – Using these figures complete a weekly budget for Jope and Salote.

Step 4 – You will find that they have a deficit. What payments should they reduce in order to balance the budget? Do your adjustments and complete a new budget so that he has a small surplus.

Remember – a budget cannot end in a deficit – adjustments MUST be made.

Check – are there any expenses which cannot be reduced?

Use the format from the previous page to complete the budget for Jope and Salote, incorporating any changes or adjustments you made in order for it to balance.

Krishna's budget

Part A

Krishna lives in a house with three others. He is an electrician and has a full-time job installing air conditioning. He earns \$395.37 after tax a week. Krishna also receives a fortnightly dividend from his family's trust of \$20.

He has a car, which he needs to get to work. He is paying it off over two years. The repayments are \$320 a month. He also has a credit card with a limit of \$2,000. Because he has a full-time job, he usually buys things as and when he wants. At the moment he has \$200 on his credit card which is due this month if he is to avoid interest costs. He really hates to pay interest so has made this repayment a priority.

The friends in the house agreed to share the rent of \$350 a week based on room size. Krishna has the biggest room so he has to pay \$95 a week. They agreed to split the other costs equally. These expenses are working out at:

- phone usually about \$45 a month
- internet access is on an unlimited usage plan of \$60 a month
- electricity costs and other household expenses approximately \$160 a month
- food about \$40 a week.

Krishna has a cell phone that usually costs him \$40 a month. He usually spends about \$6 a week on personal items. He spends \$25 a week on car running costs and an average of \$20 a week on clothes. He also gives \$20 a week to his church. Also, he wants to visit his elder brother in Sydney at Christmas and has worked out that he needs to save \$100 a fortnight to achieve this.

Identify all of Krishna's receipts and payments. Calculate each of them as **weekly** amounts.

Receipt/payment	Original amount	Weekly figure (show working)
Wages	\$395.37/week	\$395.37
Dividend	\$20/fortnight	$20/2 = \$10$
Car repayments	\$320/month	$(320 \times 12)/52 = \$73.85$
Credit card	\$200/month	$(200 \times 12)/52 = \$46.15$
Rent	\$95/week	\$95
Internet	\$60/month	$((60/4) \times 12)/52 = \3.46
Electricity	\$160/month	$((160/4) \times 12)/52 = \9.23
Food	\$35/week	\$40
Car running	\$25/week	\$25
Landline phone	\$45/month	$((45/4) \times 12)/52 = \2.60
Cell phone	\$40/month	$(40 \times 12)/52 = \$9.23$
CDs	\$6/week	\$6
Church donation	\$20/week	\$20
Clothes	\$20/week	\$20
Savings	\$100/fortnight	$100/2 = \$50$

Note: ALL items must be listed.

Part B**Now ...**

Complete a weekly budget for Krishna.

Krishna's weekly budget

	\$	\$	✓ / ✗
Receipt/income			
Wages	395.37		
Dividend	<u>10.00</u>		
Total income		405.37	
Expenses			
Essentials – fixed			
Car repayment	73.85		
Credit card	46.15		
Rent	95.00		
Internet	<u>3.46</u>	218.46	
Essentials – variable			
Electricity	9.23		
Phone	2.60		
Food	40.00		
Car running	<u>25.00</u>	76.83	
Discretionary			
Church donation	20.00		
Cell phone	9.23		
Personal items	6.00		
Clothes	<u>20.00</u>	<u>55.23</u>	
Total expenses		350.52	
Savings		<u>50.00</u>	
Total payments		<u>400.52</u>	
Surplus		<u>\$4.85</u>	

Part C**Changes ...**

Krishna has now paid off his credit card. He has decided it's a good time to invest in a private superannuation fund. He chooses to contribute \$20 a week to his superannuation. Draw up a new budget to reflect this change.

Krishna's weekly budget – after changes

	\$	\$	\$	✓ / ✗
Receipts/income				
Wages 395.37		395.37		
Dividend		<u>10.00</u>		
Total income			405.37	
Expenses				
Essentials – fixed				
Car repayment	73.85			
Credit card	0.00			
Rent	95.00			
Internet	<u>3.46</u>	172.31		
Essentials – variable				
Electricity	9.23			
Phone	2.60			
Food	40.00			
Car running	<u>25.00</u>	76.83		
Discretionary				
Church donation	20.00			
Private superannuation	20.00			
Cell phone	9.23			
Personal items	6.00			
Clothes	<u>20.00</u>	<u>75.23</u>		
Total expenses		324.37		
Savings		<u>50.00</u>		
Total payments			<u>374.37</u>	
Surplus			<u>\$31.00</u>	

- (a) How much is Krishna's surplus now that he has paid off his credit card (before investing in private superannuation)?

\$51 a week.

- (b) Can he afford to invest in a private superannuation scheme?

Yes.

- (c) When he has finished saving for his trip to Australia, suggest to Krishna a number of items that he could consider.

Student's own answers as appropriate.

4.5 *Benefits of spending income wisely*

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- (a) construct a budget for spending income wisely
- (b) evaluate different alternatives of spending using the decision-making process
- (c) identify opportunity costs related to making specific purchasing decisions
- (d) identify the factors which influence decision-making such as income levels, personal values, beliefs, obligations and priorities
- (e) identify the external economic factors, beyond the control of the individual, which influence decision-making
- (f) identify what records, such as bank statements, are useful in order to develop money management capability
- (g) identify and explain methods for spending income wisely such as buying in bulk, conserving and recycling
- (h) utilise budgets to control and manage individual/family spending
- (i) investigate the impact of unplanned spending
- (j) apply comparison shopping skills to purchasing decisions
- (k) given a personal finance scenario for a family, describe how to apply systematic decision-making to choose among alternative consumer actions.

Resources

Support material for decision-making activity

Sign-off sheets

Vocabulary

Wise buying	Decision-making process	Values
Beliefs	Obligations	External economic factors
Unplanned spending	Income shocks	

Concepts

Money management takes time but provides benefits to the household.

Budgets are one tool for managing money wisely.

Comparison shopping is an important way to ensure purchases are value for money.

There are factors beyond control of the individual which can make money management difficult.

Lesson One

Spending income wisely

A budget allows us to plan our spending and ensure we do not spend our income on unnecessary things.

A good example of unwise spending would be the children's story of Jack and the Beanstalk. Selling the cow for a few beans was a very unwise thing to do, when it could have been sold for a lot more and feed Jack and his mother for a long time. It was a fairy tale and ended up with a happy ending, but can you imagine what would happen if you had been sent to sell the family cow and come back with the beans?

When constructing a budget to ensure we spend our income wisely it is necessary to prioritise spending, ensuring the necessary items are paid for first. Necessary expenses can be fixed, variable and even irregular. The necessary expenses include paying for rent/mortgage, electricity, water, any loans or hire purchase agreements outstanding, and even fixing the car if it's required to get you to work. These priorities should also link back to your goals.

Role of a budget in managing spending and allowing savings

If we have clearly defined some goals then we can use the budget as a tool to allow us to reach these.

Remember a budget cannot be in deficit. It is essential during the information collection phase, when you first draw up the budget, that there is no deficit.

In fact this can draw your attention to problems that you may not be aware of. Once you have collected all the information and have sorted the expenses into essential (fixed and variable) and discretionary, you can then incorporate your goals into the budget and ensure your spending and savings plans allow for your goals to be achieved. More than likely you will have to adjust your current spending patterns.

Monitoring a budget

It is important that once a budget is completed it is not merely written on a piece of paper and left in a drawer. It must be regularly checked for its on-going relevance and updated for any changes. Monitoring should take place at least six-monthly or when any major change takes place, e.g. a pay rise (or loss of job), or if a new hire purchase or loan is being considered.

Activity

Here is a list of steps for developing and monitoring a budget. Explain **why** you would take each step.

What?	Why?
1. Set goals/priorities	So you know where to prioritise your money and set savings plan to achieve your goal.
2. Gather information on net income received	So you can identify where all your money is coming from.
3. Gather information on your payments each week – keep receipts	So you can identify all the areas where you spend money each week. It is easy to forget little amounts and by recording them you can be more accurate.
4. Get a list of monthly and annual payments such as car registration etc	So you remember to add in all those monthly/annual payments that sneak up on you but have to be paid and allocate the amount to your weekly payment amount.
5. Set a weekly savings amount	It is important to pay yourself first so you can reach your goals.
6. Calculate income on a weekly basis	Because we mostly get paid weekly we can then compare the expenses more accurately.
7. Calculate all payments on a weekly basis	So we can compare like with like and we can accurately calculate the net position.
8. Total all income	So we can calculate all income earned for the period to help calculate the net position.
9. Separate payments into essentials and discretionary items	This is important so that if we have a deficit or we want to increase our savings or debt repayments we know which items can easily be adjusted (our discretionary items).
10. Identify from the essentials list – fixed and variable	This is important so that we know where we have no flexibility and where if we cut down a little we may be able to make savings.
11. Total all payments	So we can calculate all the spending for the period to help calculate the net position.
12. Calculate surplus/deficit	So we can see where we are after subtracting all payments from our income. If it's a surplus we may be able to increase our savings, but if a deficit we need to go back and make changes to our spending.
13. If in deficit make alterations	We cannot live on a deficit; the money has to come from somewhere. If our budget shows a deficit we must make changes so that we live within our means.
14. Monitor a budget	A budget needs to be a living document and must be reviewed regularly. If it is not right then changes have to be made and/or we need to be more careful with our spending or increase our income.

Records, such as bank statements, useful to develop money management capability

To monitor our spending accurately, and to ensure we improve our ability to manage our money, we need to refer to a number of different documents. We can use these documents to compare actual costs with those budgeted for and/or we might find that we had missed items altogether from our original budget.

Activity

Six months after buying their house, Jope and Salote decide to review their budget.

- What documents could they use to help them do this?

Bank statements, receipts, payslips, electricity invoices/bills, telephone invoices/bills etc.

- For each of the documents listed above describe what information could be found and how it could be used to improve their ability to manage their money.
-
-
-
-
-
-
-
-

After reviewing these documents, they notice that on average the following changes need to be incorporated into their budget. Use the original budget and incorporate these changes. Make sure there is a surplus or the budget balances once you have finished. Don't forget the holiday savings of \$50 per week.

- Salote gets a pay rise to \$22,100 per year
- Jope gets a pay rise to \$22,880 per year
- food increases to \$85 per week
- petrol decreases to \$50 per week
- they have also decided to start some rainy day savings of \$40 per week as they know they are going to have to replace the roof in their house in the next year.

Joep and Salote's weekly budget 2

Receipts/income		Working	Amount per week	Fixed/ variable/ discretionary
Salote's net salary	\$22,100 per year	22,100/52	425.00	
Joep's net salary	\$23,000 per year	22,880/52 =	440.00	
Total income			865.00	
Expenses				
Mortgage repayments	\$980 per month	(980x12)/52 =	226.15	F
Rates and house maintenance	\$150 per month	(150x12)/52 =	34.62	V
Electricity (average)	\$210 per month	(210x12)/52 =	48.46	V
Telephone	\$50 per month	(50x12)/52 =	11.54	V
Food	\$85 per week		85.00	V
Clothes and shoes	\$50 per week		50.00	D
Credit card repayment	\$350 per month	(350x12)/52 =	80.77	V
Petrol	\$50 a week		50.00	V
Medical costs	\$15 a fortnight	15/2 =	7.50	V
Car repayment	\$600 per month	(600x12)/52 =	138.46	F
Church donations	\$25 per week		25.00	D
Pay TV	\$75 a month	(75x12)/52 =	17.31	D
Savings (holiday)	\$50 per week		50.00	
Savings (roof repair)	\$50 per week		40.00	
Total expenses			864.81	
Surplus/deficit				

What alterations have you made to ensure the budget balances? Justify these changes.

What is likely to happen if we do not update the budget?

Activity

“What’s My Budget?” game

Activity overview

The “What’s My Budget” board game is designed to help children understand the benefits of budgeting and how decisions made have flow-on effects. Through playing the game, students will experience the consequences of regular expenses combined with income and spending shocks – both positive and negative. Another benefit is that students experience the need to save as much money as they can while dealing with the choices we all have to make every day.

Students will keep financial records and will practice sticking to a budget, and then monitoring spending to see if they have achieved their goals.

Financial ideas

Income and money management

1. What you decide to spend your money on today has consequences now and in the future.
2. There are different types of income/expenditure.
3. Monitoring a budget is vital to its success.

Vocabulary

Income	Essentials	Fixed expenses
Variable expenses	Discretionary expenses	Savings
Budget	Monitoring	Variance

Variations of the game

Each student could be given a different goal/task, e.g. one student may be asked to spend as much as they can on discretionary items with a view to seeing the impact of this on their final savings figure. This would show the impact of uncontrolled impulse buying.

What's My Budget?

Player 1 Start

Week 1
Receive wages \$275

Monday
Buy food
Pay \$80/\$100/\$120

Tuesday
Buy one or more of
Shirt \$25
Shoes \$50
Trousers \$100

Wednesday
Petrol \$30/\$20

Thursday
Pick up card

Friday
Monthly insurance \$40
Pay rent \$50

Saturday
Entertainment Sports game \$20 or Dinner \$30

Sunday
Donation \$10/\$20

Player 2 Start

Week 2
Receive wages \$275

Monday
Buy food
Pay \$90/\$100/\$120

Tuesday
Monthly car repayment \$50

Wednesday
Option to buy computer application \$200

Thursday
Pay for monthly internet bill \$50

Friday
Pay rent \$50

Saturday
Pick up card

Sunday
Donation \$10

Player 3 Start

Week 3
Receive wages \$275

Monday
Petrol \$30/\$20

Tuesday
Buy CD or books \$10/\$20

Wednesday
Pick up card

Thursday
Buy food
Pay \$80/\$100/\$120

Friday
Pick up card
Pay rent \$50

Saturday
Entertainment Movies \$10 or Dinner \$30

Sunday
Donation \$10

Player 4 Start

Week 4
Receive wages \$275

Monday
Monthly electricity bill \$80

Tuesday
Buy food
Pay \$80/\$100/\$120

Wednesday
Petrol \$30/\$20

Thursday
Pick up card

Friday
Monthly insurance \$40
Pay rent \$50

Saturday
Entertainment Sports game \$20 or Dinner \$30

Sunday
Donation \$10/\$20

Logos: Fiji, PFIP, ECU, Australian AID, UN

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Monitoring a budget

This involves comparing what actually happened to what was expected or budgeted to happen. Any differences are called 'variances'.

Activity

Complete the following based on your game results

Column	A	B	C	D	E
Item	Budgeted amount \$	Total amount \$	Variance \$	Variance as a % of budget (working)	Column D Answer
Income	1100				
Income from work	200				
Other income	1300				
Total Income					
Essentials (needs)					
Fixed expenses					
Debt repayments (e.g. car repayment)	50				
Other fixed expenses (e.g. insurance)	40				
Rent	200				
Variable expenses					
Clothing	50				
Transport expenses	90				
Food	400				
Internet	50				
Electricity	85				
Other (e.g. health)					
Discretionary expenses (wants)					
Entertainment	40				
Miscellaneous (e.g. donations, gifts)	50				
Total expenditure	1055				
Savings	245				

HINTS – How to calculate

The variance = Column A – Column B

Variance as a % of budget = $\frac{\text{Column C}}{\text{Column A}} \times 100$

- For each variance of greater than 10% explain its impact on your actual result. Was it positive or negative?

- Why is it important to check these variances?

- What should you do if there are significant differences between actual and budget?

Lesson Two

Evaluate the different alternatives of spending using the decision-making process

The decision-making process is a system of making informed decisions by going through a step-by-step method to ensure that all options are carefully analysed. The consumer decision-making model includes the following steps:

Step 1 Set the desired goal

Step 2 Identify the obstacles to achieving this goal

Step 3 Identify the alternatives

Step 4 Evaluate the alternatives in terms of their costs and benefits (their advantages/disadvantages)

Step 5 Rank the alternatives

Step 6 Choose the best alternative

Step 7 Evaluate the consequences of the decision.

When buying simple items (like your lunch) you are unlikely to go through this process formally, although you have probably done it in your head. However, it is a very useful tool when buying anything of value or entering into any contract (e.g. getting a post-paid mobile phone contract). It can also be used when deciding what to do in the future, e.g. where to undertake further study or what job to do.

Activity

You are interested in getting a mobile phone. You have a part-time job earning \$30 a week, but you also have other things to pay for. Your parents are worried about you entering into long-term contracts as they want you to save for your studies. You need to use the decision-making process to investigate which plan would be best for you.

Step 1: Set the desired goal

Step 2: Identify the obstacles in achieving the goal

Step 3: Identify the alternatives

1	
2	
3	
4	

Step 4: Evaluate the alternatives in terms of their benefits and costs (their advantage/disadvantages)

Alternative	Benefits/advantages	Costs/disadvantages
1		
2		
3		
4		

Step 5: Rank the alternatives

BEST

WORST

Step 6: Choose the best alternative

Step 7: Evaluate the consequences of the decision

What would be the ongoing impact of the choice you have made have on your budget?

Teacher note:

Students will need to collect a selection of mobile phone plans.

Identify opportunity costs related to making specific purchasing decisions

The opportunity cost is the next best alternative forgone. That is your second choice. For example, if you had \$2 you could buy a chocolate bar, a can of drink or a newspaper. If you were really thirsty, and a bit hungry you would probably choose the can of drink. This would mean the chocolate bar would be the opportunity cost. The newspaper IS NOT the opportunity cost because if you chose not to have the can of drink you would choose the chocolate bar and still could not buy the newspaper.

- With the above activity for choosing a mobile phone plan, identify the opportunity cost of the decision.

Opportunity cost may also be what you cannot spend your money on in the future. Remember the pyramid? If you buy something on credit or give money away, then that comes out of the 70% that you can spend. When paying back debt, you are paying for past consumption (spending). This means you cannot spend it on other things you may want now.

- Explain the advantages of using the decision-making process when making a large purchase.

Lesson Three

Identify the factors which influence decision-making such as income levels, personal values, beliefs, obligations and priorities

The goals and priorities we have will determine how we use our income. This is linked back to our goal setting in Topic 2. This income use is based on a variety of factors. In particular:

- *Income levels* – the greater our income we can buy more and/or better quality items. Our income level may also determine how much we are able to save, however we should still save some so we develop and maintain good habits.
- *Personal values* – we may spend our money on ourselves, or others, we may give it away, or we may prefer to save it.
- *Beliefs* – we may believe it is important to save for our future as we don't know what the future holds, or we may believe that it is the responsibility of our family to look after us when we get older.
- *Obligations* – we may feel obliged to give money to the church or family members rather than being able to spend it on ourselves.
- *Priorities* – we may have debt to repay, we might have decided to undertake further study, or we may want to save for a house. Any goal that we set is likely to have financial implications. Our priorities and therefore how we spend our money is likely to be different to how someone else spends it.

Activity

For each of the situations below identify the factor or factors which influenced the decision.

Describe how this would impact on the individual both now and in the future.

1. Peni is moving to Australia for work and is required to send some of his money home to Fiji to help out his family.
2. Liliana has just got a promotion at work and has decided to upgrade her car.
3. Randhir has decided that he really wants to study next year so he has told his friends he's not going to attend their monthly movie club anymore.
4. Daven thinks that he has worked hard for his money and is going to spend it on some new clothes and a sound system for his car.
5. Losana regularly goes to church and believes that she needs to give a percentage of her income to support its good works.

Lesson Four

Identify the external economic factors, beyond the control of the individual, which influence decision-making

There have been a number of external economic factors that have impacted or could have impacted on individuals in Fiji over the past few years.

For example: an increase in VAT

changes in income tax rates

costs of weather damage

rise in petrol prices

changes in tourist numbers

annual inflation increases from 5.0% to 7.7%

VAT increases from 12.5% to 15%

church roof collapses – parishioners asked to contribute

mortgage interest rates fall

income tax rates fall

exchange rate falls vs. New Zealand dollar leads to increase in remittance income

global financial crisis leads to widespread job losses

Fijian rugby team wins Hong Kong 7s.

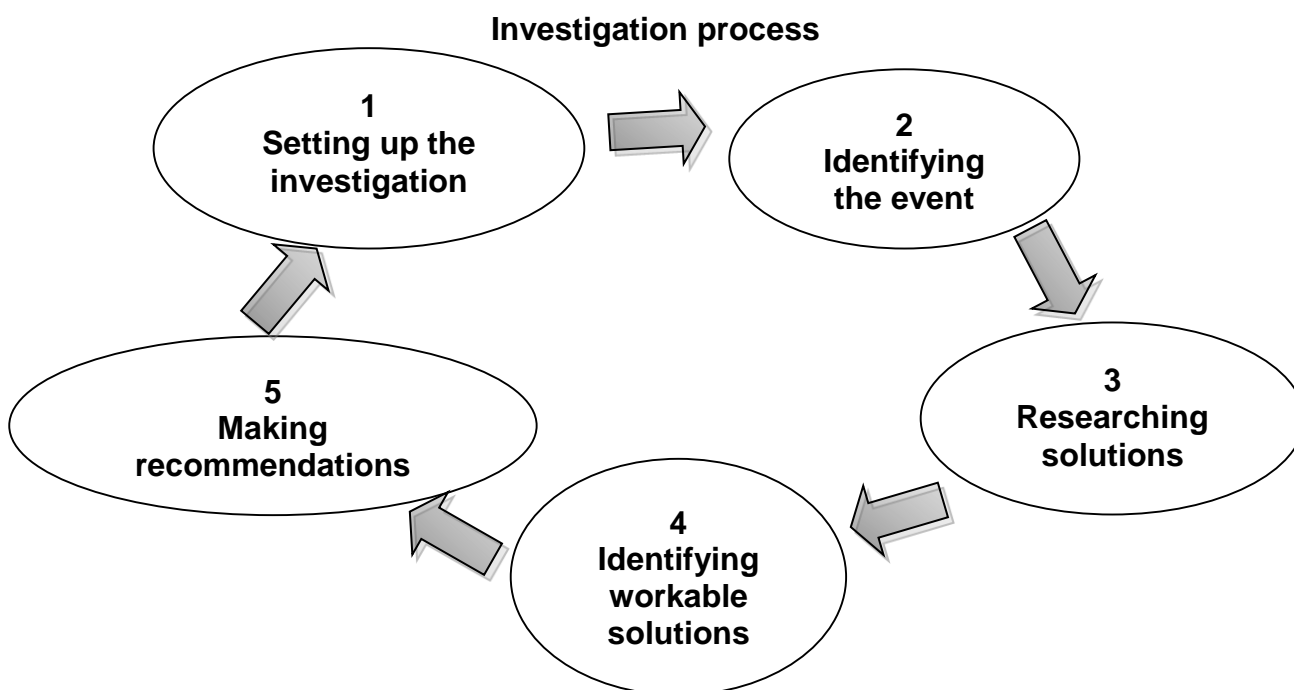
Explain how these changes could have affected people in your family or village.

Assessed activity

- Choose an external economic factor and research its impact on members of your own community.
- Identify the factors which influence community members decision-making such as income levels, personal values, beliefs, obligations and priorities and how they are affected by the external economic event/factor.
- Investigate possible solutions for how these events could be managed to ensure the community can remain financially secure.
- Provide a justified recommendation.
- Present your findings to the class.

Note: this investigation can be done in conjunction with 'Issues' investigation in Topic 6 where some students complete the external economic factors task and others complete the issues task.

Use the investigation process below.



Investigation phases

1. Asking questions

This phase is about setting the parameters for the activity (classroom rules) and for the process (what the students are expected to do). It is the main information-giving (teacher directed) component. At this stage, teachers and students agree on what will be assessed and the marking criteria and schedule. The teacher outlines the nature of the investigation and the rules that will apply, such as how to go about the investigation and the maximum amount of time allowed. The students form teams or pairs to complete the activity (suggested team maximum size is no more than four students).

Students complete the phase one sign-off sheet.

This commits them to an agreement about their choice of community about which they will conduct their investigation and what the parameters of the investigation will be.

2. Identifying the external economic factor

Students undertake a brainstorming exercise to plan the scope of their investigation. In pairs or teams, they look at options for finding out what they already know about the economic factor and what they need to know. They will identify the “who, what, where and when” questions to ask. They will identify possible criteria for accepting a solution to the factor/event, e.g. would the solution be acceptable to people, is it workable (physically possible), is the technology in place to make it happen etc? A minimum of **two** identified economic factors/events is required.

Students complete the phase two sign-off sheet.

3. Researching possible solutions.

The students ask their prepared questions of the chosen participants. Answers are recorded. Students check that the questions they have asked enable them to meet the investigation brief.

Students complete the phase three sign-off sheet.

4. Identifying workable solutions

Students identify the factors which influence the community’s decision-making such as income levels, personal values, beliefs, obligations and priorities (minimum of **four** required). Answers are recorded. Students then analyse the answers to Part 3 above to determine some possible solutions to the economic factor/event they have been investigating. For each of the external economic factor/event, select a minimum of two solutions.

Students complete the phase four sign-off sheet.

5. Making recommendations

Students reflect on their analysis and make decisions about the best possible options, using the criteria identified in phase two. They also evaluate the benefits and costs of a non-financial nature which could impact on the decision.

Students complete the phase five sign-off sheet.

Assessment

Pair/team assessment

1.	Handing in each sign-off sheet (two marks per completed sheet)	10%
2.	External factors identified and impact explained	20%
3.	Factors which influence members of the community's decision-making identified	20%
4.	Investigation results solved the financial issues identified and show linked to financial security	20%
5.	Justified recommendation	10%
6.	Pair/team presentation	20%

Suggested teacher marking structure for Parts 2-5

(0-5 marks per question – then weight based on above percentages)

0 = answer not submitted

1 = provided an answer, but it showed little effort and/or no understanding of the topic

2 = showed a beginner level of knowledge and skill

3 = showed capability, has an understanding of the idea but is unable to explain in any detail

4 = showed competency and able to place in context

5 = showed advanced level of competency.

Each student is required to submit a personal reflection sheet.

Teacher note:

You may wish to have students complete a response to Parts 2-5 individually and group mark Parts 1 and 6.

Sign-off Sheet – Phase One

Asking questions phase

Team name and members

Team name:

Community chosen:

We will be marked on:

Team and leader (name) signature

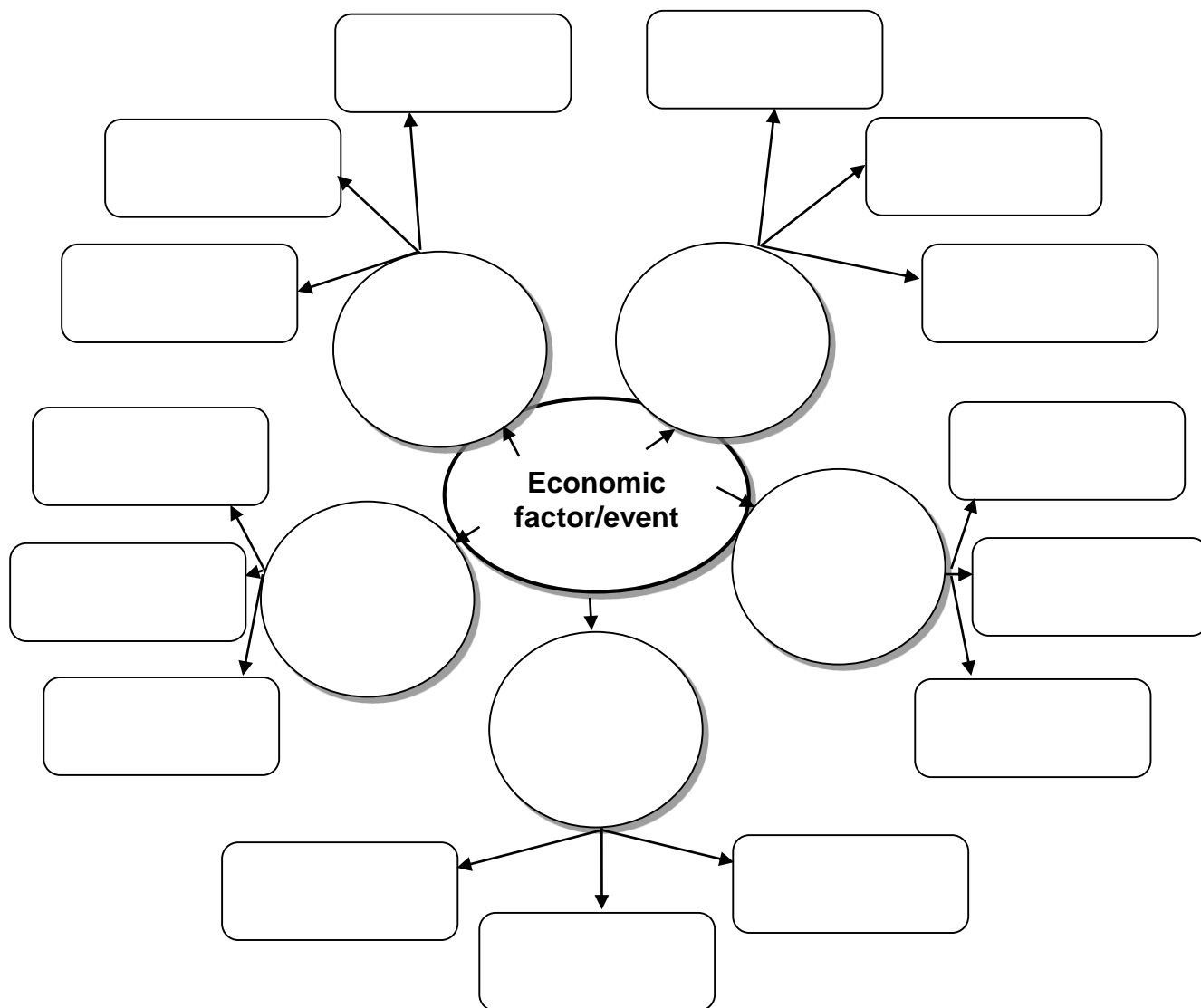
Teacher signature

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Sign-off Sheet – Phase Two

Identifying the external economic factor/event phase

Brainstorm mind map



Team and leader (name) signature

Teacher signature

Sign-off Sheet – Phase Three

Researching possible solutions phase

External economic factor/event identified from brainstorm (minimum of two)

Factor/event 1	
Factor/event 2	
Factor/event 3	
Factor/event 4	

Questions to ask the community chosen to identify solutions to manage the external economic factor/event

Question 1	
Question 2	
Question 3	
Question 4	
Question 5	
Question 6	

Signed

Team and leader (name)

Signature

Teacher Sign-off

Sign-off Sheet – Phase Four

Factors which influence the community's decision-making

	Influence	Explanation how it can influence decision-making
Influence 1		
Influence 2		
Influence 3		
Influence 4		

Researching possible solutions phase

Solution	To solve (problem)

.....
Team and leader (name) signature

.....
Teacher signature
.....

Sign-off Sheet – Phase Five

Making recommendations phase

Problem	Recommendation(s)
1	
2	
Non-financial benefits	Non-financial costs

.....
Team and leader (name) signature

.....
Teacher signature

Lesson Five

Identify and explain methods for spending income wisely such as buying in bulk, conserving and recycling.

Our income is limited but our wants are unlimited so therefore we want to avoid impulse buying. This is when we see something we just have to buy it without planning or too much thought about the consequences of the decision.

How can impulse buying impact our budget?

For example, what would be the impact on Jope and Salote's budget if they suddenly decided to refurnish their bedroom?

There are a number of things we can do in order to make the most of our income:

- buy in bulk
- buy when items are on special (discount buying)
- conserve resources such as water and electricity
- recycle
- looking at alternative ways of doing things
- plan our spending.

Explain how each of the methods above can make our income go further.

Lesson Six

Apply comparison shopping skills to purchasing decisions

It can be confusing when we are shopping for various items, especially grocery items, as not everything is packaged in the same way and not every group of products is suitable for each person/family.

Activity

The following families have asked you for some shopping advice. Look at the following scenarios and decided which group of products best suit each situation.

There are six family groups:

Family	Description
A	One parent is working, one not, and they have eight children
B	Both parents working and they have seven children
C	Both people working, they have no children and love to entertain
D	A solo parent on a low income with four children
E	A retired couple with no children
F	Both people working, they have two children and love to entertain

Part one

- Tick the appropriate product size for each family in Table 1.
- Calculate the total spending on the products for each family in Table 2.

Table 1

Product	Size	Price (\$)	A	B	C	D	E	F
Potatoes	1kg loose	0.90						
	5kg bag	3.60						
	10kg bag	7.00						
	25kg bag	9.00						
Rice	1kg	3.69						
	5kg	8.99						
	10kg	16.99						
Mangoes	Individual (100gms)	2.00						
	1kg	8.00						
	3kg	15.00						
	Tinned imported (300gms)	4.49						
Milk	250 ml UHT	1.29						
	1 lt fresh	2.42						
	3 lt fresh	6.10						
Wine	Single bottle (500ml)	16.99						
	3lt cask	25.99						
	Case (12 bottles)	179.98						
Washing powder	500gms	3.85						
	1kg	7.85						
	5kg bag	33.72						

Total spending**Table 2**

Family	Working
A	
B	
C	
D	
E	
F	

Part two

1. Why would a case of wine be a wise choice for one family but they may not want the 5kg bag of washing powder?

2. Why might 2 litres of fresh milk not be suitable for Family E?

3. Why would the case of wine, an individual mango and the 5kg bag of washing powder be no good for one family? Identify the family and explain why.

Calculate the best value for money for each of the items in Table 1 above:

Table 3

Item	Working	Choice
Potatoes		
Rice		
Mangoes		
Milk		
Wine		
Washing powder		

Lesson Seven

Types of buying

There are a number of reasons for why we choose to buy items:

- *Advertising* – this can convince us of the benefits of a particular good or may inform us of a new product
- *Cost* – value for money, or we may think that if something is more expensive then it must be good (this is not always the case!)
- *Fashion* – we may want to keep up with the latest trends
- *Habit* – we may always have bought that brand
- *Values* – these often come from our families about what types of products to buy and what methods to use to pay for it.

Activity

Below is a group of people looking to buy a shirt for different reasons. Match the person with the appropriate reason.

Possible purchasing influences				
Advertising	Cost	Fashion	Habit	Values

Person A – “Mum thought it would wash well”

Person B – “My friend has the same one”

Person C – “I wanted it because it was the most expensive”

Person D – “I like to buy that colour”

Person E – “I saw on the billboard that my favourite singer says to wear that brand”.

What are the advantages and disadvantages of each of these reasons for buying? Give **two** for each reason.

Choose five personal items that you have bought in the last year.

Explain the reasons why you chose each item, in relation to the purchasing influencers above.

Lesson Eight

Utilise budgets to control and manage individual/family spending

Remember a budget is a tool that allows us to do what we want now and in the future. This means we need to use skills such as spending our money wisely as well as not impulse buying. If we can do these things it can make it easier for us to stick to our goals.

Life does not stand still and often things change. Our budget needs to change to reflect this.

Examples:

- an unexpected pregnancy
- being made redundant
- joining a superannuation scheme
- a planned pregnancy so we want to save in preparation for the new baby
- move from part-time to full-time employment (or vice versa)
- want to retire at age 50
- want to work overseas in two years' time
- want to own your home by the time you're 25.

What are some other circumstances/goals/priorities that may alter our budget?

What would happen if:

- (a) Salote became pregnant with twins and was unable to work for six months after their birth.
- (b) Joep was made redundant and was only able to get another job that paid half his current salary.
- (c) Salote had to travel to her village to look after her father for two weeks each month.
- (d) Joep had an accident at work and had to stay at home to get better for six months.

Activity

Complete the following budgets ensuring the individual/family stays within their means. Justify any alterations you may make.

Roshni is a second year teacher. She decided to work before going to teacher's college so she managed to avoid having any debt after her training. The bank thought she would be a good risk so it gave her a high limit on her credit card, which she took up. She found it a little difficult to live within her means. While she was training and during her first year as a teacher, she managed to accumulate a lot of debt on her credit card, in fact \$3,500.

Roshni's salary per fortnight is \$692 net (after tax).

Rent	\$320 per month
Insurance (car and contents)	\$300 per year
Entertainment and sport	\$20 per week
Electricity	\$80 per month
Telephone	\$90 per month
Groceries	\$190 per month
Petrol	\$50 per week
Clothes and shoes	\$30 per month
Medical insurance	\$16 per fortnight
Car repayments	\$170 per month
Church donations	\$720 per year

Create a budget for Roshni to show a **month's** income, expenses and savings.

Answer this on your own paper using the format shown earlier.

Monthly expenses total \$1,304.87; monthly net income \$1,499.33.

What is her monthly surplus that she can put towards her credit card payments?

\$194.46 (monthly income – monthly expenses).

Roshni really needs to pay off her credit card as the interest is an expense she dislikes paying. She has come to you to help her work out how to pay it off faster. If she put all her monthly surplus towards her credit card repayment, approximately how long would it take her to pay it all off? Ignore interest charged in this calculation (show your workings).

\$3,500 / \$194.46 = 18 months.

Why, in reality, would it take her longer than this?

Because the interest payments have not been included in the calculation. However, the monthly amount of interest will decrease as she pays more off the balance.

Roshni has decided to bite the bullet and increase her credit card payments by \$100 per month over and above the current amount of the surplus. What areas do you recommend that she make reductions in (and by how much)?

Spend less on her discretionary items such as entertainment spending. Work out how to reduce spending on clothes or buy cheaper food.

What do you recommend she does once it's paid off?

Cut up the credit card or get the bank to reduce her limit.

Roshni's monthly budget

	\$	\$	\$ After adjustment
Income			
Roshni's wages		1,499.33	
Expenses			
Essential – fixed			
Rent	320.00		
Car repayment	170.00		
Insurance – medical	36.53		
Insurance – car and contents	25.00		
Essential – variable			
Electricity	80.00		
Telephone	90.00		
Groceries	190.00		
Petrol	216.67		
Discretionary			
Clothes and shoes	30.00		
Entertainment	86.67		
Church donations	<u>60.00</u>		
Total expenses		1,304.87	
Savings/credit card payment			
Total payments			
Surplus/Deficit		\$194.46	

Lesson Nine

Investigate the impact of unplanned spending

There are a number of events that can occur that can have a serious impact on your finances. One minute things are going smoothly and the next shocks can happen that can make a dent into your plans. These can be anything from the car breaking down, your church needing a new roof and asking you to contribute, or a member of your extended family needing a loan from you to help pay for funeral arrangements. It may be that a family member who usually sends you remittances loses their job and the money you expected no longer arrives. Of course, this can happen in reverse and you receive extra money from overseas as a remittance. The important thing to recognize is that this cannot be relied on forever and should be used wisely, rather than as part of the normal income stream.

Activity

For each of the following situations describe the potential impact on the person/family's budget **and** how they can manage the shock.

Income/spending shock 1

Amira and Nilesh have been married for a year and have just found out that Amira is pregnant with their first baby. What advice would you give them to ensure they can manage the drop to one income while Amira is off work following the birth?

Income/spending shock 2

Emosi and Mele have struggled to make ends meet but have been following their budget and are starting to get themselves out of their financial problems. However, a severe flood meant that their church suffered major damage. The congregation have been asked to contribute \$500 to help pay for the repairs. What should they do?

Income/spending shock 3a

Koroi and Ana's son, Tomu has gained a professional rugby contract to play in Fiji 7s team and has said he will send money back to them. What should they do with this money?

Income/spending shock 3b

Six months into his contract Tomu suffers a serious injury and has been dropped from the team and his contract has been terminated. What effect will this have on Koroi and Ana? How could they minimize this?

Income/spending shock 4

Reshmi is currently working in Fiji. However she wants to study overseas and is no longer able to support her family. How will this affect her family? How will it affect Reshmi? How could her family manage this change?

Activity

Play “**Get Moneywise**” – keep a record of the income/spending shocks you encountered.

- Fully explain: 1 The impact on your budget/finance
 2 How you would manage each of these?

How would you manage it?									
Impact on your budget/finances									
Income / Spending Shock									

4.6 Issues and trends in personal finance

Learning outcomes

Students could demonstrate such knowledge and understandings when they:

- a) identify two different prudent money management practices in Fiji
- b) identify issues that have arisen for Fiji people for personal finance
- c) apply solutions to the identified financial issues.

Suggested time

As required

Resources

Sign-off sheets

Vocabulary

Money management practices	Issues	Solutions
----------------------------	--------	-----------

Key concepts

Communities exercise a range of values when practicing money management activities.

A range of cultural values relating to money practices can cause community problems.

Generational, technological and other changes can impact on diversity in money management practices throughout communities.

Lesson One

Issues and trends in personal finance

The research activity

Research brief

Students have to identify four key beliefs which influence prudent money management in a community other than their own.

Students must clearly identify at least two personal finance issues that have arisen for people in Fiji.

Students must clearly identify solutions to these identified issues.

The solutions should be workable for the group/people that they are working with.

Issues could include but are not limited to issue arising:

- around access to banking facilities

- around the increase in VAT

- around the flow of cash

- due to a lack of financial understanding

- between generations

- between rural and urban communities

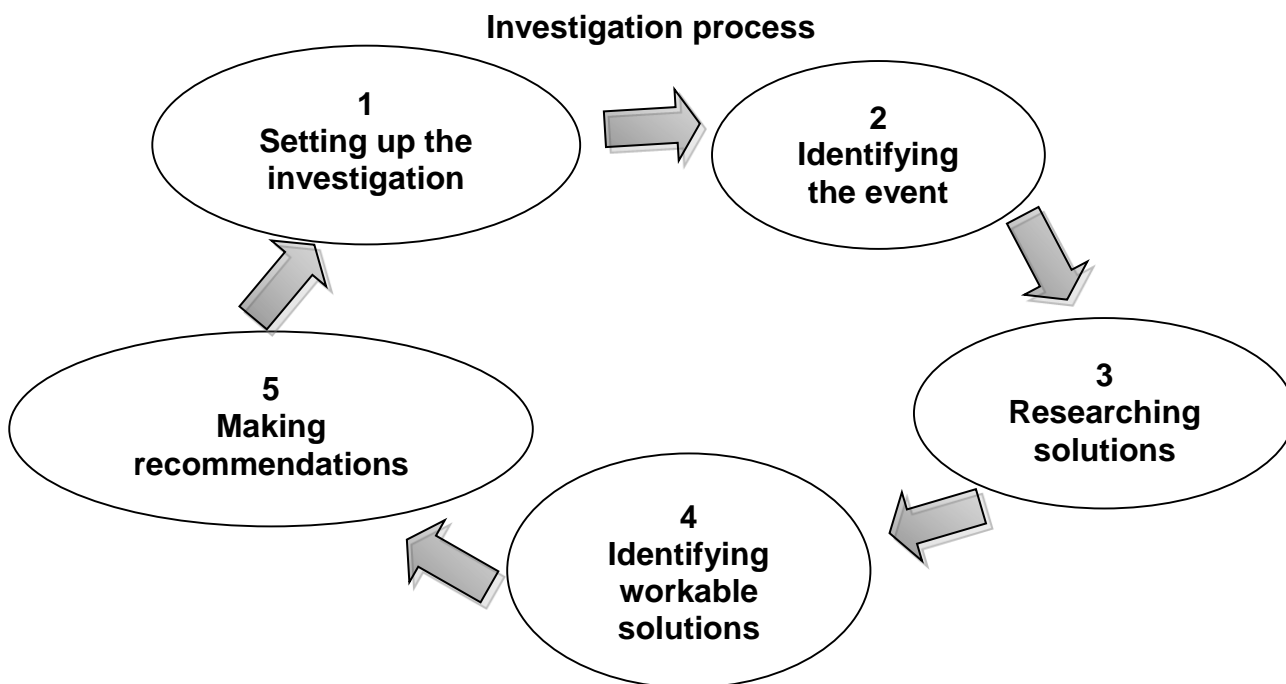
- between genders

- between highly qualified and non-qualified members of a community

- due to changes in technology

- due to rising expectations

- due to influences outside the community's control, e.g. inflation, exchange rates, other world influences.



Investigation phases

1. Asking questions

This phase is about setting the parameters for the activity (classroom rules) and for the process (what the students are expected to do). It is the main information-giving (teacher directed) component. At this stage, teachers and students agree on what will be assessed and the marking criteria and schedule. The teacher outlines the nature of the investigation and the rules that will apply, such as how to go about the investigation and the maximum amount of time allowed. The students form teams or pairs to complete the activity (suggested team maximum size is no more than four students).

Students complete the phase one sign-off sheet.

This commits them to an agreement about their choice of community about which they will conduct their investigation and what the parameters of the investigation will be.

2. Identifying the issues

Students undertake a brainstorming exercise to plan the scope of their investigation. In pairs or teams, they look at options for finding out what they already know about the issues and what they need to know. They will identify the “who, what, where and when” questions to ask. They will identify possible criteria for

accepting a solution to an issue, e.g. would it be acceptable to people, is it workable (physically possible), is the technology in place to make it happen etc? A minimum of two identified financial issues is required.

Students complete the phase two sign-off sheet.

3. Researching possible solutions

The students ask their prepared questions of the chosen participants. Answers are recorded. Students check that the questions they have asked enable them to meet the investigation brief.

Students complete the phase three sign-off sheet.

4. Identifying workable solutions

Students analyse the answers to determine some possible solutions to the issues they have been investigating. For each of the two issues, select a minimum of two solutions.

Students complete the phase four sign-off sheet.

5. Making recommendations

Students reflect on their analysis and make decisions about the best possible options, using the criteria identified in phase two. They also evaluate the benefits and costs of a non-financial nature which could have an impact on the decision.

Students complete the phase five sign-off sheet.

Assessment

Pair/team assessment

1.	Handing in each sign-off sheet (five marks per completed sheet)	10%
2	Four key beliefs identified	20%
3	Financial issues identified	20%
4.	Investigation results solved the financial issues identified	30%
5.	Pair/team presentation	20%.

Students provide written answers, based on the research activity showing they can:

- become empowered to make informed judgments and decisions
- gain and apply relevant financial knowledge, skills and values
- recognise the financial consequences
- recognise the financial value of cultural wealth
- respond wisely to dynamic personal and economic circumstances
- work towards building community financial well-being and security.

Each student is required to submit a personal reflection sheet.

Sign-off Sheet – Phase One

Asking questions phase

Team name and members

Team name:

Community chosen:

Community's prudent money management practices (key beliefs):

We will be marked on:

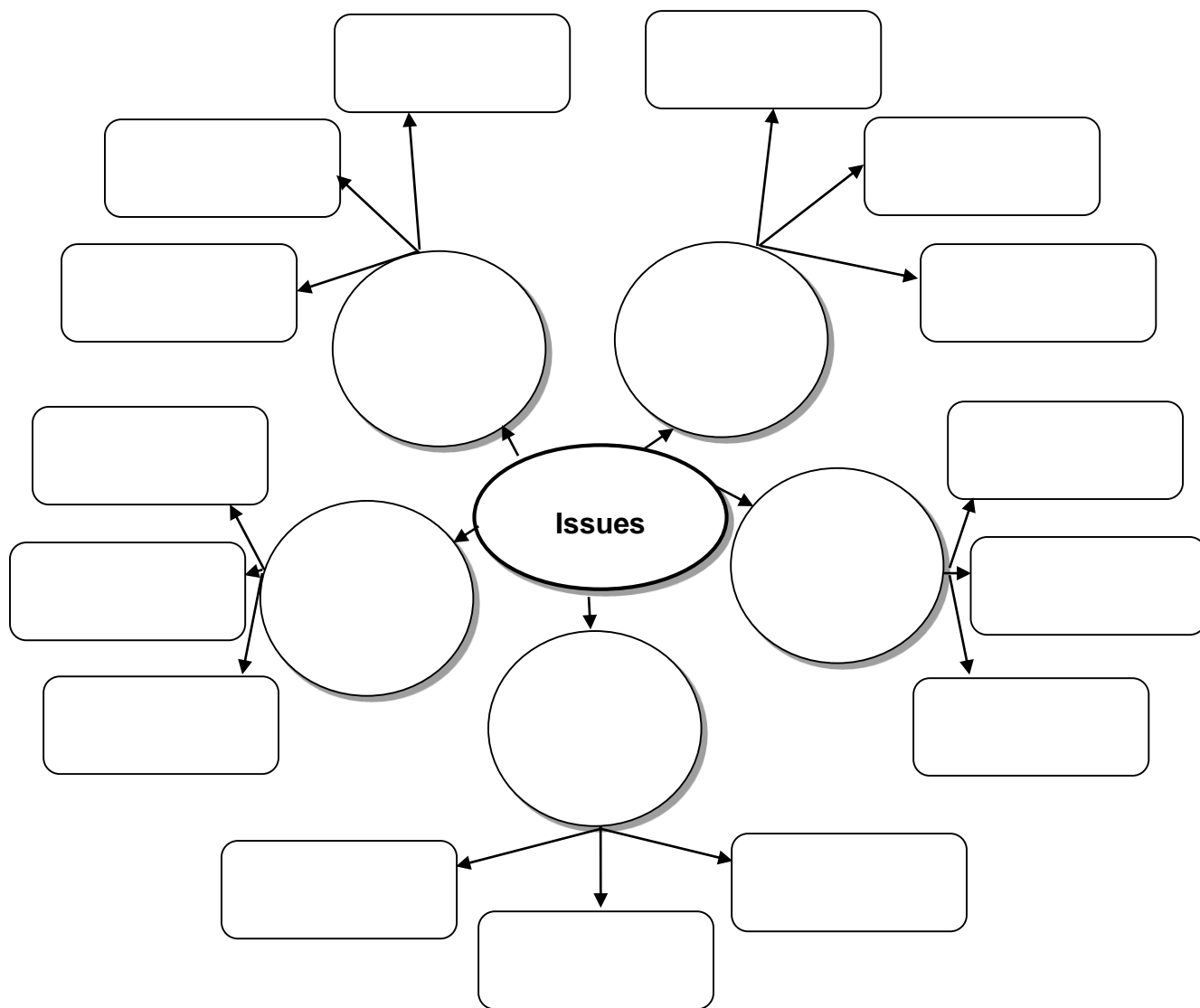
Team and leader (name) signature

Teacher signature

Sign-off Sheet – Phase Two

Identifying the issues phase

Brainstorm mind map



Team and leader (name) signature

Teacher signature

Sign-off Sheet – Phase Three

Researching possible solutions phase

Issues identified from brainstorm (minimum of two)

Issue 1	
Issue 2	
Issue 3	
Issue 4	

Questions to ask the community chosen to identify solutions to financial issues

Question 1	
Question 2	
Question 3	
Question 4	
Question 5	
Question 6	

Signed

Team and leader (name)

Signature

Teacher Sign-off

Sign-off Sheet – Phase Four

Researching possible solutions phase

Solution	To solve (issue, problem)

.....
Team and leader (name) signature

.....
Teacher signature

Sign-off Sheet – Phase Five

Making recommendations phase

Issue/problem	Recommendation(s)
1	
2	
Non-financial benefits	Non-financial costs

.....
Team and leader (name) signature

.....
Teacher signature

4.7 Resources

Family budget – percentage spent on:	1993	2005
Food	35.56	40.29
Alcoholic drinks and tobacco	6.13	5.42
Housing	16.49	9.93
Heating and lighting	4.9	9.22
Durable household goods	6.52	2.12
Clothing and footwear	5.39	2.96
Transport	12.85	16.24
Services	7.58	8.63
Miscellaneous	4.78	5.19

Source: <http://www.statsfiji.gov.fj/cens&surveys/HIES.htm>

Remittance activity support material



Compare costs for sending AUD 200 from Australia to Fiji last updated on 21 Aug 2012 (includes all known costs)

Operator	Method of Transfer	Fee (AUD)	Total Cost (AUD)	Total Cost (%)	Fiji Dollar (FJD)s Received for Initial AUD200	Speed of Transfer	Outlets
Money Move IT (1 - 3 business days)	O	4.99	10.49	5.24%	355.99	1-3 business days	www.moneymoveit.com
ANZ Pacific Money Transfer Card (BPAY)	A-A	10.37	12.01	6.01%	353.02	2-5 business days	Any ATM or merchant accepting Visa
Digicel Mobile Money	O	4.00	12.21	6.11%	352.80	One hour or less	http://www.digicelmobilemoney.com/
ANZ Pacific Money Transfer Card (Online)	O	11.34	12.98	6.49%	351.22	One hour or less	Any ATM or merchant accepting Visa
Westpac	A-A	10.00	16.38	8.19%	345.27	1-3 business days	Fijian bank account
Xpress Money	C	12.00	18.08	9.04%	342.16	One hour or less	www.xpressmoney.com
MoneyGram	C	15.00	20.51	10.25%	337.70	One hour or less	www.moneygram.com

Western Union	C	15.00	21.80	10.90%	335.46	One hour or less	www.westernunion.com.au
IMEX Money Transfer	C	15.00	23.21	11.61%	333.00	Same day	Fijian agent and bank branches
HSBC (online)	O	20.00	26.28	13.14%	327.26	1-3 business days	Fijian bank account
Westpac (online)	O	20.00	26.38	13.19%	327.10	1-3 business days	Fijian bank account
Suncorp (online)	O	20.00	30.88	15.44%	319.50	2-5 business days	Fijian bank account
HSBC	A-A	25.00	31.28	15.64%	318.17	2-5 business days	Fijian bank account
ANZ (online)	O	24.00	31.87	15.94%	317.36	2-5 business days	Fijian bank account
Citibank	A-A	25.00	31.84	15.92%	317.26	1-3 business days	Fijian bank account
St. George Bank (online)	O	20.00	32.27	16.14%	317.14	2-5 business days	Fijian bank account
Commonwealth Bank (online)	O	22.00	34.82	17.41%	312.71	2-5 business days	Fijian bank account
ANZ (branch)	A-A	32.00	39.87	19.94%	302.94	2-5 business days	Fijian bank account

Suncorp	A-A	30.00	40.88	20.44%	301.75	2-5 business days	Fijian bank account
St. George Bank	A-A	30.00	42.27	21.14%	299.52	2-5 business days	Fijian bank account
Commonwealth Bank	A-A	30.00	42.82	21.41%	298.66	2-5 business days	Fijian bank account
National Australia Bank (online)	O	22.00	43.30	21.65%	298.54	2-5 business days	Fijian bank account
National Australia Bank	A-A	30.00	51.30	25.65%	285.12	2-5 business days	Fijian bank account
M-PAiSA	O	15.00	215.00	107.50%	0.00	One hour or less	www.vodafone.com.fj/pages.cfm/personal/services/mpaisa-vodafone-money-transfer/international-m-paisa.html
BankWest	A-A	35.00	n/a	n/a	n/a	2-5 business days	Fijian bank account



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Compare costs for sending AUD 500 from Australia to Fiji last updated on 21 Aug 2012 (includes all known costs)

Operator	Method of Transfer	Fee (AUD)	Total Cost (AUD)	Total Cost (%)	Fiji Dollar (FJD)s Received for Initial AUD500	Speed of Transfer	Outlets
Money Move IT (1 - 3 business days)	O	4.99	18.73	3.75%	903.64	1-3 business days	www.moneymoveit.com
ANZ Pacific Money Transfer Card (BPAY)	A-A	19.37	23.49	4.70%	894.75	2-5 business days	Any ATM or merchant accepting Visa
ANZ Pacific Money Transfer Card (Online)	O	20.34	24.46	4.89%	892.94	One hour or less	Any ATM or merchant accepting Visa
Westpac	A-A	10.00	25.95	5.19%	890.43	1-3 business days	Fijian bank account
Xpress Money	C	12.00	27.20	5.44%	888.16	One hour or less	www.xpressmoney.com
MoneyGram	C	15.00	28.77	5.75%	885.32	One hour or less	www.moneygram.com
IMEX Money Transfer	C	15.00	35.53	7.11%	873.00	Same day	Fijian agent and bank branches

Digicel Mobile Money	O	4.00	35.19	7.04%	872.96	One hour or less	http://www.digicelmobilemoney.com/
HSBC (online)	O	20.00	35.71	7.14%	872.69	1-3 business days	Fijian bank account
Westpac (online)	O	20.00	35.95	7.19%	872.26	1-3 business days	Fijian bank account
HSBC	A-A	25.00	40.71	8.14%	863.60	2-5 business days	Fijian bank account
Western Union	C	25.00	41.99	8.40%	861.31	One hour or less	www.westernunion.com.au ; collection agents includes more than 120 BSP branches
Citibank	A-A	25.00	42.10	8.42%	861.13	1-3 business days	Fijian bank account
ANZ (online)	O	24.00	43.68	8.74%	858.32	2-5 business days	Fijian bank account
Suncorp (online)	O	20.00	47.19	9.44%	852.00	2-5 business days	Fijian bank account
St. George Bank (online)	O	20.00	50.68	10.14%	845.71	2-5 business days	Fijian bank account
ANZ (branch)	A-A	32.00	51.68	10.34%	843.90	2-5 business days	Fijian bank account
Commonwealth Bank (online)	O	22.00	54.04	10.81%	839.75	2-5 business days	Fijian bank account

Suncorp	A-A	30.00	57.19	11.44%	834.25	2-5 business days	Fijian bank account
Commonwealth Bank	A-A	30.00	62.04	12.41%	825.70	2-5 business days	Fijian bank account
St. George Bank	A-A	32.00	62.68	12.54%	824.57	2-5 business days	Fijian bank account
National Australia Bank (online)	O	22.00	75.24	15.05%	801.70	2-5 business days	Fijian bank account
National Australia Bank	A-A	30.00	83.24	16.65%	788.28	2-5 business days	Fijian bank account
M-PAiSA	O	15.00	515.00	103.00%	0.00	One hour or less	www.vodafone.com.fj/pages.cfm/personal/services/mpaisa-vodafone-money-transfer/international-m-paisa.html
BankWest	A-A	35.00	n/a	n/a	n/a	2-5 business days	Fijian bank account



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Compare costs for sending NZD 200 from New Zealand to Fiji last updated on 21 Aug 2012 (includes all known costs)

Operator	Method of Transfer	Fee (NZD)	Total Cost (NZD)	Total Cost (%)	Fiji Dollar (FJD)s Received for Initial NZD200	Speed of Transfer	Outlets
Westpac Express Card (Global Alliance ATM withdrawal)	Prepaid	1.00	8.07	4.04%	279.70	One hour or less	Global Alliance ATMs
Money Move IT (1 - 3 business days)	O	4.99	10.64	5.32%	276.11	1-3 business days	www.moneymoveit.com
Digicel Mobile Money	O	3.00	10.83	5.42%	275.80	One hour or less	www.digicelmobilemoney.com/
MoneyGram	C	10.00	13.05	6.53%	272.62	One hour or less	www.moneygram.com
M-PAiSA	O	10.00	15.09	7.54%	269.80	One hour or less	www.vodafone.com.fj/pages.cfm/personal/services/mpaisa-vodafone-money-transfer/international-m-paisa.html
Lotus Foreign Exchange	C	10.00	15.09	7.54%	269.80	One hour or less	http://www.lotusfx.com/fiji.html
Westpac Express Card (non - Global Alliance ATM withdrawal)	Prepaid	9.00	16.07	8.04%	268.46	One hour or less	Global Alliance ATMs

Xpress Money	C	11.00	17.14	8.57%	266.93	One hour or less	www.xpressmoney.com
IMEX Money Transfer	C	10.00	17.83	8.92%	266.00	same day	Fijian branch/agent
International Remittance (NZ)	A-A	12.00	21.34	10.67%	261.13	1-3 business days	Fijian bank account
Kiwibank (online)	O	20.00	24.25	12.13%	256.70	1-3 business days	Fijian bank account
ASB Bank (online)	O	20.00	26.80	13.40%	253.35	1-3 business days	Fijian bank account
Western Union	C	25.00	28.86	14.43%	250.07	One hour or less	www.westernunion.co.nz
TSB Bank	A-A	25.00	28.87	14.43%	250.06	1-3 business days	Fijian bank account
Kiwibank	A-A	25.00	29.25	14.63%	249.57	1-3 business days	Fijian bank account
National Bank NZ	A-A	25.00	31.57	15.79%	246.61	1-3 business days	Fijian bank account
Westpac	A-A	25.00	31.78	15.89%	246.35	1-3 business days	Fijian bank account
ASB Bank	A-A	25.00	31.80	15.90%	246.31	1-3 business days	Fijian bank account
ANZ	A-A	25.00	32.83	16.42%	245.00	1-3	Fijian bank account

						business days	
BNZ	A-A	25.00	33.26	16.63%	244.46	1-3 business days	Fijian bank account





Compare costs for sending NZD 500 from New Zealand to Fiji last updated on 6 March 2012 (includes all known costs)

Operator	Method of Transfer	Fee (NZD)	Total Cost (NZD)	Total Cost (%)	Fiji Dollar (FJD)s Received for Initial NZD500	Speed of Transfer	Outlets
MoneyGram	C	10.00	17.64	3.53%	703.06	One hour or less	www.moneygram.com
Westpac Express Card (Global Alliance ATM withdrawal)	Prepaid	1.00	18.68	3.74%	701.37	One hour or less	Global Alliance ATMs
Money Move IT (1 - 3 business days)	O	4.99	19.12	3.82%	700.88	1-3 business days	www.moneymoveit.com
Lotus Foreign Exchange	C	10.00	22.72	4.54%	695.80	One hour or less	http://www.lotusfx.com/fiji.html
Digicel Mobile Money	O	3.00	22.58	4.52%	695.80	One hour or less	www.digicelmobilemoney.com/
M-PAiSA	O	10.00	22.72	4.54%	695.80	One hour or less	www.vodafone.com.fj/pages.cfm/personal/services/mpaisa-vodafone-money-transfer/international-m-paisa.html
Xpress Money	C	11.00	26.35	5.27%	690.63	One hour or less	www.xpressmoney.com
Westpac Express Card (non - Global Alliance)	Prepaid	9.00	26.68	5.34%	690.12	One hour or less	Global Alliance ATMs

ATM withdrawal)							
IMEX Money Transfer	C	10.00	29.58	5.92%	686.00	same day	Fijian branch/agent
Kiwibank (online)	O	20.00	30.63	6.13%	684.53	1-3 business days	Fijian bank account
Western Union	C	25.00	34.65	6.93%	678.75	One hour or less	www.westernunion.co.nz; collection agents includes more than 120 BSP branches
TSB Bank	A-A	25.00	34.67	6.93%	678.73	1-3 business days	Fijian bank account
International Remittance (NZ)	A-A	12.00	35.36	7.07%	677.83	1-3 business days	Fijian bank account
Kiwibank	A-A	25.00	35.63	7.13%	677.40	1-3 business days	Fijian bank account
ASB Bank (online)	O	20.00	37.01	7.40%	675.60	1-3 business days	Fijian bank account
National Bank NZ	A-A	25.00	41.43	8.29%	669.37	1-3 business days	Fijian bank account
Westpac	A-A	25.00	41.94	8.39%	668.66	1-3 business days	Fijian bank account
ASB Bank	A-A	25.00	42.01	8.40%	668.56	1-3 business days	Fijian bank account
ANZ	A-A	25.00	44.58	8.92%	665.00	1-3 business	Fijian bank account

						days	
BNZ	A-A	25.00	45.65	9.13%	663.53	1-3 business days	Fijian bank account



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Barter activity cards

I have Box of apples	I have Box of bananas	I have Cricket bat	I have Cell phone	I have MP3 player	I have A cow	I have A pig
I want My roof repaired	I want Box of apples	I want Box of bananas	I want Cricket bat	I want Cell phone	I want MP3 player	I want A cow
I have A kettle	I have A bike	I have A skateboard	I have A football	I have A DVD player	I am A mechanic	I am A chef
I want Some pots	I want A kettle	I want A bike	I want A skateboard	I want A football	I want A DVD player	I want My car fixed
I have A chair	I have A desk	I have A box of fizzy drink	I have A camera	I have A computer	I have A motorbike	I have A car
I want A 25kg bag of rice	I want A chair	I want A desk	I want A box of fizzy drink	I want A camera	I want A computer	I want A motorbike
I have A TV	I have A ticket to NZ	I have A fridge	I have An oven	I am An electrician	I am A plumber	I have A microwave
I want A shed built	I want A TV	I want A ticket to NZ	I want A fridge	I want An oven	I want Some electrical work done	I want A new bath installed (plumber)
I have Some pots	I have A 25kg bag of rice	I am A builder	I have A guitar	I have A heater	I have A table	I am A roof repairer
I want A pig	I want My dinner cooked	I want A car	I want A microwave	I want A guitar	I want A heater	I want A table

Individual reflection sheets for investigations

If you were doing this activity again, what one thing would you personally do differently?

The one thing I would do differently would be:

What was the best thing about the project?

The best thing about the project was:

What do you think was your overall personal contribution to the performance of your team?

Grade yourself on the continuum below.

Justify the grade you gave yourself.

No contribution

0 1 2 3 4 5 6 7 8 9 10

Outstanding contribution

(circle one number)

And this is because:

If you were doing this again, what one thing would you do differently?

The one thing I would do differently would be:

5.0 Financial Education Games



Vuli the Vonu

5.1 Get Moneywise

Get Moneywise

Board Game Scenarios:

- 100:** Was unable to save this week
- 99:** Did not check my financial documents as planned yesterday
- 98:** Saved \$5 on a regular basis
- 97:** Bought a phone on hire purchase and paid extra costs (interest)
- 96:** Spent \$3 on the cheapest pen, and it ran out of ink quickly
- 95:** Compared prices before buying products
- 94:** Stuck to my budget and savings plan
- 93:** Took responsibility for using my money wisely
- 92:** Overspent this week
- 91:** Failed to keep a record of spending this week
- 90:** Received \$10 pocket allowance from my parents and banked \$5
- 89:** Didn't follow my budget this week
- 88:** Researched savings products available before I made a decision
- 87:** Lost \$5 I had in my pocket
- 86:** Prepared a budget for the week
- 85:** Checked my financial documents to make sure they were accurate.
- 84:** Bought a pair of jeans without researching prices
- 83:** Sold vegetables from my garden after school
- 82:** Deposited savings regularly
- 81:** Compared prices before buying products
- 80:** Stuck to my budget and savings plan
- 79:** Took responsibility for using my money wisely
- 78:** Overspent this week
- 77:** Failed to keep a record of spending this week
- 76:** Received \$10 pocket allowance from my parents and banked \$5
- 75:** Didn't follow my budget this week
- 74:** Researched savings products available before I made a decision
- 73:** Lost \$5 I had in my pocket
- 72:** Prepared a budget for the week
- 71:** Checked my financial documents to make sure they were accurate.
- 70:** Bought a pair of jeans without researching prices
- 69:** Sold vegetables from my garden after school
- 68:** Deposited savings regularly
- 67:** Compared prices before buying products
- 66:** Stuck to my budget and savings plan
- 65:** Took responsibility for using my money wisely
- 64:** Overspent this week
- 63:** Failed to keep a record of spending this week
- 62:** Received \$10 pocket allowance from my parents and banked \$5
- 61:** Didn't follow my budget this week
- 60:** Researched savings products available before I made a decision
- 59:** Lost \$5 I had in my pocket
- 58:** Prepared a budget for the week
- 57:** Checked my financial documents to make sure they were accurate.
- 56:** Bought a pair of jeans without researching prices
- 55:** Sold vegetables from my garden after school
- 54:** Deposited savings regularly
- 53:** Compared prices before buying products
- 52:** Stuck to my budget and savings plan
- 51:** Took responsibility for using my money wisely
- 50:** Overspent this week
- 49:** Failed to keep a record of spending this week
- 48:** Received \$10 pocket allowance from my parents and banked \$5
- 47:** Didn't follow my budget this week
- 46:** Researched savings products available before I made a decision
- 45:** Lost \$5 I had in my pocket
- 44:** Prepared a budget for the week
- 43:** Checked my financial documents to make sure they were accurate.
- 42:** Bought a pair of jeans without researching prices
- 41:** Sold vegetables from my garden after school
- 40:** Deposited savings regularly
- 39:** Compared prices before buying products
- 38:** Stuck to my budget and savings plan
- 37:** Took responsibility for using my money wisely
- 36:** Overspent this week
- 35:** Failed to keep a record of spending this week
- 34:** Received \$10 pocket allowance from my parents and banked \$5
- 33:** Didn't follow my budget this week
- 32:** Researched savings products available before I made a decision
- 31:** Lost \$5 I had in my pocket
- 30:** Prepared a budget for the week
- 29:** Checked my financial documents to make sure they were accurate.
- 28:** Bought a pair of jeans without researching prices
- 27:** Sold vegetables from my garden after school
- 26:** Deposited savings regularly
- 25:** Compared prices before buying products
- 24:** Stuck to my budget and savings plan
- 23:** Took responsibility for using my money wisely
- 22:** Overspent this week
- 21:** Failed to keep a record of spending this week
- 20:** Received \$10 pocket allowance from my parents and banked \$5
- 19:** Didn't follow my budget this week
- 18:** Researched savings products available before I made a decision
- 17:** Lost \$5 I had in my pocket
- 16:** Prepared a budget for the week
- 15:** Checked my financial documents to make sure they were accurate.
- 14:** Bought a pair of jeans without researching prices
- 13:** Sold vegetables from my garden after school
- 12:** Deposited savings regularly
- 11:** Compared prices before buying products
- 10:** Stuck to my budget and savings plan
- 9:** Took responsibility for using my money wisely
- 8:** Overspent this week
- 7:** Failed to keep a record of spending this week
- 6:** Received \$10 pocket allowance from my parents and banked \$5
- 5:** Didn't follow my budget this week
- 4:** Researched savings products available before I made a decision
- 3:** Lost \$5 I had in my pocket
- 2:** Prepared a budget for the week
- 1:** Start

Logos at the bottom: Ministry of Education, PFIP (Pacific Financial Inclusion Programme), UNICEF, Australian AID, and United Nations Capital Development Fund.

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Get Moneywise



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What's My Budget?

Player 1 Start



Week 1

Monday
Receive wages \$275

Tuesday
Buy food Pay \$80/\$100/\$120

Wednesday
Pick up card

Thursday
Pick up card

Friday
Monthly insurance \$40
Pay rent \$50

Saturday
Entertainment Sports game \$20 or Dinner \$30

Sunday
Donation \$10/\$20

Player 4 Start

Week 4

Monday
Monthly electricity bill \$80

Tuesday
Buy food Pay \$80/\$100/\$120

Wednesday
Petrol \$30/\$20

Thursday
Pick up card

Friday
Monthly insurance \$40
Pay rent \$50

Saturday
Entertainment Sports game \$20 or Dinner \$30

Sunday
Donation \$10/\$20

Player 2 Start

Week 2

Monday
Receive wages \$275

Tuesday
Buy food Pay \$80/\$100/\$120

Wednesday
Option to buy computer application \$200

Thursday
Pay for monthly internet bill \$50

Friday
Pay rent \$50

Saturday
Pick up card

Sunday
Donation \$10

Week 3

Monday
Petrol \$30/\$20

Tuesday
Buy CD or books \$10/\$20

Wednesday
Pick up card

Thursday
Buy food Pay \$80/\$100/\$120

Friday
Pick up card Pay rent \$50

Saturday
Entertainment Movies \$10 or Dinner \$30

Sunday
Donation \$5/\$10
Gift to grandfather Chocolates \$10

Player 3 Start

Week 3

Monday
Petrol \$30/\$20

Tuesday
Buy CD or books \$10/\$20


Wednesday
Pick up card








Thursday
Buy food Pay \$80/\$100/\$120

Friday
Pick up card Pay rent \$50

Saturday
Entertainment Movies \$10 or Dinner \$30

Sunday
Donation \$5/\$10
Gift to grandfather Chocolates \$10



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5.2 “What’s My Budget?” game

Overview of the game

The aim of the game is to save the most after four weeks. The game has four players and contains:

- a game board
- a record of spending against budget sheet
- a cash flow sheet
- 24 income and spending cards
- one dice.
- four pieces/counters

Basic operational rules

Each player starts on a different week (which can be chosen by the players or by a dice roll) on the ‘Receive wages’ square. Every square in each week is landed on, so dice rolls are not used to move around the board. When a square is landed on, the transaction is recorded on the Cash Flow record. The Cash Flow can go into deficit in any one week except the fourth week. At the end of the week, transaction information is transferred to the Record of Income and Spending against Budget sheet.

Player transactions or decisions:

- receives \$275 a week, at the start of the week, from employment
- must pay fixed expenses as they occur
- can choose how much to pay for a variable expense if an option is given
- can choose whether or not to purchase a discretionary expense item.

‘Pick up card’ squares:

- player picks up card for the current week only (i.e. player in week one can only pick up a ‘week one’ card)
- dice is rolled to select card to ‘pick up’
- player actions card instructions as for other squares (e.g. must pay fixed expenses, can choose how much to pay for a variable expense if an option is given, can choose whether or not to purchase a discretionary expense item).

Cash Flow for "What's My Budget?"

Week One	\$Transaction(s)	\$ Cash in	\$ Cash out	\$ Balance
Receive wages				
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				
Week Two				
Receive wages				
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				
Week Three				
Receive wages				
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				
Week Four				
Receive wages				
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				

Income and Spending Cards

Earn income from roadside stall \$40 Week One Card One	Jacket on sale \$60 Week Two Card One	Furniture on special offer \$110 Week Three Card One	Car warrant of fitness overdue \$25 Week Four Card One
Car needs an oil change \$30 Week One Card Two	Tax refund \$115 Week Two Card Two	Sports fees \$10 Week Three Card Two	Relative's 21 st birthday, pay for gift \$20 or \$30 Week Four Card Two
Magazine purchase \$5 Week One Card Three	Unexpected visit to the doctor \$20 Week Two Card Three	Interest from savings \$20 Week Three Card Three	Dinner with overseas visitor \$20 Week Four Card Three
Receive birthday present \$15 Week One Card Four	Receive remittance money from overseas relative \$100 Week Two Card Four	Pay credit card \$80 Week Three Card Four	Receive dividends from shares \$50 Week Four Card Four
Unexpected visit to dentist \$30 Week One Card Five	You make 50% more than usual in sales this week, received bonus/ commission \$60 Week Two Card Five	Can't resist special offer on children's toy \$5 Week Three Card Five	Earn income from roadside stall \$50 Week Four Card Five
Buy lottery ticket \$5 Week One Card Six	Contribute to local fundraising \$10 Week Two Card Six	Win cash prize in local raffle \$30 Week Three Card Six	Washing machine repair \$70 Week Four Card Six

Record of spending against budget

Item	Budgeted amount	Amount in Week One	Amount in Week Two	Amount in Week Three	Amount in Week Four	Total amount
Income						
Income from work	\$1,100	\$275	\$275	\$275	\$275	\$1,100
Other income	\$200					
Total income	\$1,300					
Essentials (needs)						
Fixed expenses						
Debt repayments (e.g. car repayment)	\$50					
Other fixed expenses (e.g. insurance)	\$40					
Rent	\$200	\$50	\$50	\$50	\$50	\$200
Variable expenses						
Clothing	\$50					
Transport expenses	\$90					
Food	\$400					
Internet	\$50					
Electricity	\$85					
Other (e.g. health)						
Discretionary expenses (wants)						
Entertainment	\$40					
Miscellaneous (e.g. donations, gifts)	\$50					
Total expenditure	\$1,055					
Savings	\$245					

Column	A	B	C	D	E
Item	Budgeted amount \$	Total amount \$	Variance \$	Variance as a % of budget (working)	Column D Answer
Income	1100				
Income from work	200				
Other income	1300				
Total Income					
Essentials (needs)					
Fixed expenses					
Debt repayments (e.g. car repayment)	50				
Other fixed expenses (e.g. insurance)	40				
Rent	200				
Variable expenses					
Clothing	50				
Transport expenses	90				
Food	400				
Internet	50				
Electricity	85				
Other (e.g. health)					
Discretionary expenses (wants)					
Entertainment	40				
Miscellaneous (e.g. donations, gifts)	50				
Total expenditure	1055				
Savings	245				

6.0 Appendices



Vuli the Vonu

6.1 The Regional Financial Education Teachers

Secondary schools' group

Central/Eastern district

Jai Narayan College
Marist Brothers High School
Dudley High School
Gospel High School
Yat Sen Secondary School
Suva Muslim College
Mahatma Gandhi Memorial High School
Suva Grammar School
Queen Victoria School
Ratu Kadavulevu School

Nadi/Lautoka district

Swami Vivekananda High School
Natabua High School

Labasa district

Shri Guru Nanak Khalsa College
All Saints Secondary School

Primary schools' group

Central/Eastern districts

Suva Primary School
Nehru Memorial Primary School
Yat Sen Primary School
Veiuto Primary School
Levuka Public Primary School
Stella Maris Primary School

Nadi/Lautoka districts

Nadi Airport School
Drasa Avenue School
Nadi Muslim School
Jasper Williams Primary School

Labasa district

St Mary's Primary School

Labasa Sangam Primary School

Nasekula District School

Holy Family Primary School

6.2 Useful Financial Terms (Glossary)

Account balance	This is an amount shown at the bottom of a statement of account (bill). It is the difference between money received and money paid, and can be positive or negative.
Active income	Active income is income for which services have been performed. This includes wages, tips, salaries, commissions and income from businesses in which there is material participation.
Admission fee	Income received from charging a fee to view or visit an event, entertainment, site etc.
Affordable	Having enough money to pay for the goods or services you decide to buy.
Amount payable	Amount owed to another party. Money which a company owes to vendors for products and services purchased on credit.
Annual Percentage Rate (APR)	The yearly cost of a loan, including interest, insurance and the origination fee, expressed as a percentage. The APR is often used to compare the effective rate of interest for credit cards, mortgages and hire purchase financing, especially for vehicles.
Aspirations	A cherished desire or ambition, but not an essential for survival.
Asset classes	<p>An asset class is a category of investment assets with similar return and risk characteristics and subject to the same laws and regulations. Whatever the asset class line-up, each class is expected to reflect different risk and return investment characteristics and to perform differently in any given market environment.</p> <p>“Asset classes” refers to the four main types of investment categories. The main asset classes are:</p> <ul style="list-style-type: none"> • Shares or equities – a stake or ownership of a company • Fixed interest – representing money loaned to an issuer • Property – a physical building, whether commercial or residential, other than the primary family residence • Cash deposits – including money deposited in an interest-bearing account.
Asset protection planning (related to risk management)	Asset protection refers to a wide range of activities that are aimed at safeguarding/protecting your wealth both in the short term and long term.
Assets	An item of value owned by an individual or a company, especially that which can be converted into cash. Examples of assets include cash, accounts receivable, inventory, property and vehicles.
ATM (Automatic Teller Machine)	An ATM is an electronic terminal where customers can use a card and a personal identification number (PIN) to operate their accounts. Functions may vary between ATMs but most can be used to withdraw cash, transfer funds

	between accounts and check balances.
Balance	The running total from taking account of money in and money out.
Balanced budget	This is the final budget and it cannot have a deficit figure. Alterations are made to balance the budget by making adjustments.
Bank	A financial institution which offers financial services such as deposit accounts, cheque and savings accounts and opportunities for customers to borrow money. Banks are financial intermediaries.
Bank account	An arrangement with a particular bank to deposit and withdraw money from that bank.
Bank fees	A sum charged by the bank for the operation and holding of accounts and other banking services.
Banking institutions	A bank is a financial institution registered and supervised by the Reserve Bank of Fiji. A bank will accept deposits of money from the public and use these funds for loans and investments; and engage in any other activity recognised by the Reserve Bank as normal banking practice, which is a licensed financial institution engaging in the activities described above, may additionally be authorised to do by the Reserve Bank of Fiji. Commercial banks accept three types of deposits – Savings, Demand (Cheque account) and Time (term Deposits)
Banking products	Goods made available for customer use such as, the use of various types of bank accounts e.g. structures of call accounts and term deposits, insurances, personal and home loans, credit cards, managed funds, and off-shore accounts.
Banking services	Services such as accepting deposits and lending money, offering a variety of channels to access and transfer funds (ATM, telephone and internet banking, branches).
Bank statement	A bank statement is a summary of transactions, listing the amounts received (credits) and amounts withdrawn or payments made out of the account (debits) that took place over the relevant time period.
(Bank) transfers	A method of making payments in which the payer may make a payment at any branch of any bank for the account of the payee who has an account at any branch of the same or another bank. It is often referred to as an electronic transfer of funds.
Barter	People swap goods and services for what they need.
Bill payment	A bill payment or customer-initiated direct debit is a means of payment available through telephone banking. It differs from a direct debit in that the customer (rather than the company in receipt of payment) initiates the electronic debit from their account to the payee's account. Before a payment can be made, the customer must register the organisation or person involved as a payee by supplying the bank with the appropriate bill details and/or payee's bank account number.

Board	Payment for accommodation, food or meals.
Bogus share offer	A bogus share offer is the offer to sell shares in a company that is either fake or one that is not allowed to sell shares. Unsuspecting investors who hand over their money soon realise that they have been tricked and that their “shares” are in fact worthless.
Bonds	<p>A bond is a general term that describes the vehicle that an organisation uses for financing its activities. Bonds represent long-term debt obligations of a company or government. They are fixed interest investments whereby the individual receives a number of payments at fixed intervals until the bond is repaid. Fixed interest securities may be bought and sold, and may be traded on a stock exchange.</p> <p>Many organisations borrow money so they can become even bigger and more successful. One way they borrow money is by selling bonds. When you buy a bond, you are lending money to the company so it can grow. The company promises to pay you interest and to return your money on a date in the future.</p>
Bonus issues	<p>Bonus issues are new shares in a company that are given to existing shareholders for free; they are a bonus or reward for owning shares in the company.</p> <p>A company may decide to distribute further shares as an alternative to increasing the dividend payout issued to shareholders in proportion to their holdings for example one bonus share for every 10 shares held.</p>
Branch staff	Branch staff work at a retail location where a bank or financial institution offers a wide variety of face to face service to its customers.
Budget	<p>A plan showing where your income will come from and how it will be spent.</p> <p>A statement of planned income, savings and expenses based on an individual's goals for a specified timeframe e.g. a week.</p>
Business ownership	<p>Business ownership means having control over a business enterprise and being able to dictate its functioning and operations.</p> <p>There are three ways in which business ownership may be acquired: initiating a business, purchasing a company that already exists, and franchising. The most common forms of business ownership are the sole proprietorship, partnership and corporation.</p>
Capital gains	Capital gain is the profit that results from the sale or the exchange of a capital asset which exceeds the purchase price.
Cash	Cash refers to money in the physical form of currency, such as banknotes and coins.
Cash register receipt	A receipt, produced by a cash register, resulting from a cash transaction.

Chain letters	A chain letter typically consists of a message that attempts to induce the recipient to make a number of copies of the letter and then pass them on to as many recipients as possible.
Cheque	<p>An unconditional order in writing to a bank by its customer requiring the bank to pay a specified sum to a specified person or to the bearer.</p> <p>A cheque becomes “stale” and will normally not be paid if it is presented more than six months after the date written on it. A “non-transferable” cheque provides the greatest protection if it is lost or stolen.</p>
Cheque account	A bank account with a cheque book facility.
Choices	Options you have before making a decision.
Collectables/Collectibles	Collectables are: things considered to be worth collecting (not necessarily valuable or antique). For investment purposes, a collectable (collectible) is any physical asset that appreciates in value over time because it is rare or it is desired by many. Many people think of collectables as things like stamps, coins, fine art or sports cards, but there are really no strict rules as to what is or is not a collectable.
Commission	A fee for services undertaken based on a percentage of an amount received, or percentage of the value of goods sold, or collected or agreed to be paid (as distinguished from a salary). The payment of commission as remuneration for services undertaken or products sold is a common way to reward salespeople.
Company shares	A share (also known as stock) is a document issued by a company, which entitles its holder to be one of the owners of the company. A share is issued by a company or can be purchased from the stock market. By owning a share you can earn a dividend and by selling shares you may get capital gain. So your return is the dividend plus the capital gain. However, you also run a risk of making a capital loss if you have sold the share at a price below your buying price.
Consequences	What happens because of a decision you make.
Costs	Expenses involved in setting up or running an activity or business.
Credit	Credit is the ability to obtain goods and services now with an obligation to pay the amount borrowed, together with any additional agreed costs, in the future.
Credit card facility	A credit card facility gives access to credit. It can be used more than once to borrow money or buy products and services on credit. Banks, retail stores and other businesses may issue these. Users are limited in the amount they can charge to the card, but they are required to make a minimum payment each month if they do not wish to repay the full amount. Any unpaid balance incurs interest.
Credit card	A plastic card issued by a bank which enables customers to purchase goods and services on credit rather than pay by cash, cheque or EFTPOS.

	Customers receive a monthly statement on their credit transactions and will not usually be charged interest if the monthly account is paid in full by the due date. Credit cards may also be used to obtain cash advances.
Credit card statement	A statement listing the purchases, payments and other debits and credits made to the credit card account within the billing cycle. The billing statement is sent at the end of each billing cycle and usually includes the total balance, minimum payment due, payment due date, grace period, finance charge, days in billing cycle, and annual percentage rate.
Credit rating	A credit rating is an evaluation of the likelihood that a borrower will default on a loan. A numerical score is calculated using the information in an individual's credit file. The credit rating is often used to determine an individual's credit worthiness and is sometimes referred to as a credit score.
Cross sector	A range of different industries. For example, investors can diversify their equity portfolios to encompass shares in the energy, financial and utilities industries.
Current assets	Assets in the form of money or assets which are intended to be turned into money within a year.
Debentures	Debentures are types of fixed interest or debt securities where the issuer's obligation to repay investors is secured by the issuer's assets. The value of a debenture depends on the value of the issuer's assets. Debentures earn interest. (Other definitions do not include the feature of a debenture being secured by the issuer's assets.)
Debit card	A card that allows you to access your money, usually at an ATM or an EFTPOS terminal.
Debt	Money that is owed.
Debt/Credit	What you owe other people or organisations.
Decision	Selecting a choice.
Default	Failure to perform a task or fulfil an obligation, especially failure to meet a financial obligation e.g. <i>default on a loan</i> .
Deposit	Money put into a bank, or 'money in' recorded in a Cash Book.
Direct debit	Funds taken directly out of an account and paid to someone else.
Direct investment	The act or practice of buying an investment product by an individual, without using a broker as an intermediary, and gaining direct ownership of the investment (such as owning property or shares). There are two ways of investing. Direct investment involves putting one's capital into specific fixed assets such as property, factories, buildings etc. Indirect investment involves investing in securities or other assets that are traded on financial markets.
Disposable income	The amount of income left to an individual after taxes have been paid, and is available for spending and saving.
Diversification	The practice of spreading money among different investments to reduce risk is known as diversification. If you buy a mixture of different types of stocks, bonds, or mutual funds, your savings will not be wiped out if one of your

	investments fails. By diversifying, you aim to limit your losses and reduce the fluctuations of investment returns without sacrificing too much potential gain.
Dividends	Dividends are payments made by a company to its shareholders as a reward for owning shares in the company. Dividends are the yield from the investor's investment in the company. It is the portion of a company's net profit paid to its shareholders (owners), and is usually declared as a dividend per share (DPS).
Dollar cost averaging	Dollar cost averaging is a method of purchasing investments by investing a fixed amount of money at set intervals. It is a timing strategy of investing equal dollar amounts regularly and periodically over specific time periods (such as \$100 a month) in a particular investment portfolio. By doing so, more units are purchased when prices are low, and fewer units are purchased when prices are high. The point of this is to lower the total average cost per unit of the investment, giving the investor a lower overall cost for the units purchased over time. The investor buys more units in a managed fund when the price is low and fewer units when the price is high, thus reducing the overall cost.
Draft budget	A (first) rough copy which may have a surplus or a deficit. This is not the final version of the budget.
Earned income	Earned income is the money you get paid for the work you do.
EFTPOS	Electronic funds transfer (at) point of sale. It means customers pay money (transfer) from their account to the merchant or retailer's account electronically while still in the shop (i.e. at the point of sale). To use this technology, customers must have a special plastic card that is the "key" to their account and will allow them to access their money from retailers' terminals (i.e. at their shops).
Email scams	An email scam is the use of email messages to trick people into providing sensitive personal information or to convince people to pay money for assets that are either fake or worthless. (Same as a phishing scam.)
Employment	Offering your labour to provide a service and getting paid for it.
Equities	Equities are an alternative term for shares. Equities are an entitlement to a proportion of the ownership of a business with the expectation that the share owner will get a portion of the business' profit.
Expenditure	Money going out to buy goods or services.
Fees (payment for contract)	A fee is the price one gives as payment for services, especially the amount paid to a doctor, lawyer, consultant or member of a learned profession or organisation.
Financial adviser/advisor	A financial adviser is a professional who renders financial planning services to individuals, businesses and governments. This can involve investment advice which may include pension planning, and/or advice on financial products, such as life insurance and other insurances such as income protection insurance, critical illness insurance etc, and/or advice on mortgages and other investment products. A financial adviser may include but is not limited to an insurance

	adviser or broker, an accountant, lawyer, tax agent or banking service.
Financial document	An original or official paper relied upon as the basis, proof or support of financial activity. For example, an invoice.
Financial planning	In general usage, a financial plan can be a budget, a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as rent or utilities, and also reserves some income for short-term and long-term savings. A financial plan can also be an investment plan, which allocates savings to various assets or projects expected to produce future income, such as a new business or product line, shares in an existing business, or real estate.
Financial transaction	Money exchanged for goods.
Fixed expenses	Fixed expenses do not depend on your rate of consumption of a good or service. They don't change with levels of usage or from period to period. They are usually paid on a regular basis, such as week to week, month to month, quarter to quarter or year to year. Typical household fixed expenses are mortgage or rent payments, car repayments and insurance premiums.
Fixed interest rate	An interest rate which is set, and will not change over a given period.
Floating interest rate	An interest rate which is not set, and may change over a given period.
Foreign exchange	A system by which one currency is exchanged for another, enabling international transactions to take place.
Futures	Futures are financial contracts or agreements between a buyer and a seller. The seller agrees to sell a specific product to the buyer, at a specific date in the future at an agreed price. Because futures are contracts, when the contract date arrives, the buyer must buy the product. For example, if you buy gold futures today you agree to take possession of a certain amount of gold at a date in the future in return for paying the agreed price. Futures investments in things like foreign currency, oil, electricity or wool occur where you invest now on a prediction of what the commodity will sell for at a later date. Futures contracts are a way of trying to profit (or minimise loss) from future movements in prices or values, without actually buying the commodity that the contract relates to.
Gambling	Gambling is any activity in which money is bet on an event either occurring or not occurring and in which luck plays a large role in the final outcome. There is usually less skill, planning and research involved compared to investing. Elements of 'gambling' often include a limited number of scenarios, win/lose situations, a limited number of options to choose from, more luck than skill required, and the results of gambling are generally known immediately. Gambling is an activity often undertaken for excitement and/or financial gain.
Geographic spread	A range of different areas, usually expected to encompass the world. For example, investors can spread their equity portfolios to encompass investment in the Pacific, New Zealand, Australia, Asia, the US, Europe etc.

Goals	"A dream with a deadline". A goal is an observable and measurable end result having one or more objectives to be achieved within a more or less fixed timeframe.
Government Stock (also referred to as Government Bonds)	Securities or stock issued by a government to finance its budget deficit (the difference between what it gets in taxes and what it spends). Government Stock is usually considered to be a very safe form of investment and is essentially an IOU from the government. Both the public and companies can lend the government money. In return they get a fixed rate of interest for a certain period of time and then the money is repaid. The document which acknowledges the amount the government owes each person or company is called Government Stock.
Gross income	Gross income is income from all sources before tax has been paid. It's your responsibility to pay what is called "income tax" on this money.
Gross pay	Total of an employee's regular remuneration including allowances, overtime pay, commissions before any deductions.
Hedging	Hedging is a plan to limit or offset probability of loss from fluctuations in the prices of assets. Hedging includes a variety of techniques such as taking equal and opposite positions in two different markets, or in protecting capital against the effects of inflation through investing in high-yield financial instruments (e.g. bonds or shares), property, or precious metals. A hedge is a position established in one market in an attempt to offset exposure to price fluctuations in some opposite position in another market with the goal of minimising one's exposure to unwanted risk. The aim of hedging is to avoid or limit risk and protect against price changes.
Hire purchase	A way of getting the good and paying for it over time. Hire purchase is a contract for the hire of goods with an option to purchase. The user gets possession of the goods.
Income	Money you earn from work or other sources.
Income source	All wages and any other compensation for services performed are considered to be sources of income.
Income tax	Income tax is a tax payable to the government, based on one's income. Unless you're self-employed, your employer takes out the income tax before you get paid.
Income tax bracket	An income tax bracket relates to a category of taxpayers based on the amount of their income. It specifies the rate paid on the "last dollar" earned.
Indirect investment	This is a way of investing through an intermediary, either an external adviser or body. Indirect investors are those who access a market by investing through a collective investment fund as opposed to purchasing an asset directly in their own name. There are two kinds of investment. Direct investment involves putting one's capital into specific fixed assets such as property, factories, buildings etc. Indirect investment involves investing in securities or other assets

	that are traded on financial markets.
Insurance	The act, state or means of being insured for loss or harm of property, life, or one's person arising in specified circumstances. There is a promise of compensation, in exchange for a periodic payment, for specified potential future losses.
Interdependence	People rely on others to make some of the things they need or want, swapping or selling what is their surplus to get it.
Interest	<p>Money you earn from saving or investing or the extra money you pay for borrowing money.</p> <p>The fee charged by a lender to a borrower for the use of borrowed money, usually expressed as an annual percentage of the principal. It is the cost of borrowing and is a return on savings.</p>
Interest rate	A rate which is charged or paid for the use of money. An interest rate is often expressed as an annual percentage of the principal. It is calculated by dividing the amount of interest by the amount of principal.
Internet (on-line) banking	Internet banking is a term used to access your account and for performing transactions, payments etc over the internet through a bank, credit union or building society's secure website.
Investing	Investing is the process of putting money some place with the intention of making a financial return and holding long-term, non-cash growth assets with the aim of capital gain and/or income. Investment possibilities include stocks, bonds, mutual funds, real estate and other financial instruments or ventures. Investing focuses on using one's money to make more money, and achieving long-term financial goals. With investing, there is no guarantee an investor will make money. In some cases, an investor may even lose the money invested. Investing should be considered only after a person has adequate savings.
Investment products	Products purchased with the expectation that they will provide a return, an income stream.
Invoice	A bill issued by one who has provided products and/or services to a customer.
Irregular items	Not regular, uneven or abnormal.
Labour	The work that people do for an income.
Layby	Paying off the purchase before taking the goods home.
Legislative requirements	Requirements according to the laws of a country.
Liability	A financial obligation, debt, claim or potential loss.
Liquidity	Liquidity refers to how easily and quickly you can sell your investment and access your money without incurring a significant loss.
Loan	<p>Money that you borrow and have to pay back.</p> <p>An arrangement in which a lender gives money or property to a borrower, and the borrower agrees to repay the money or return the property, usually with</p>

	interest, at a future point in time.
Managed funds	Managed funds are investment products in which a professional investor, called a fund manager, researches and buys assets for you and charges you a fee.
Marginal tax rate	The rate applying to the last dollar of taxable income.
Mixed expenses	Mixed expenses consist of a constant or fixed portion and a variable portion. Typical household mixed expenses include electricity, gas and water, which usually have a fixed charge but also include a variable charge component according to usage.
Money	What you use to pay for goods and services.
Money lender	A money lender is a source of credit to a category of borrowers who would normally be refused credit by most financial institutions because their income may be at or below the poverty threshold or whose credit score indicates that the borrower might be unable to repay the loan. They offer small personal loans at high interest rates usually higher rates than the market rate charged on credit cards or on bank overdrafts. Because personal loans offered are unsecured and the risk of default by the borrower is high, money lenders charge an effective interest rate that is in the range anywhere between 100% and 400% APR (Annual Percentage Rate).
Mortgage	This term is often loosely used to describe the loan provided for purchase of property. A mortgage is a document signed by a borrower when a home loan is made that gives the lenders the right to take possession of the property if the borrower fails to make loan payments. It is a method of using property (real or personal) as security for the performance of an obligation, usually the payment of a debt.
Needs	What you think you must have. Needs are something you must have to survive. They are absolute necessities, essentials or basics of life.
Net income	Your net income is your income after tax has been paid.
Net pay	Net pay is the remaining amount after deductions from the gross salary, such as income taxes, union dues, authorised deduction for a retirement fund.
Notes and coins	What we call money.
Options	Options are similar to futures since they are also a contract between a buyer and a seller. In an options contract, the seller gives the buyer the option or right to buy a product at a specific date in the future and at an agreed price. Options are different to futures since the buyer doesn't have to buy on the contract date. The buyer can choose whether to buy or not.
Overdraft/overdraft facility	The act of overdrawing a bank account. It is an extension of credit by a lending institution to allow for circumstances when withdrawals exceed deposits. The customer is authorised, by agreement with the bank, to withdraw funds up to a specific amount in excess of their credit balance. Interest is usually charged on

	the fluctuating daily balance.
Passive income	<p>Passive income is income received from rental property, limited partnership or other enterprise in which the person is not actively involved.</p> <p>Some examples of passive income are:</p> <ul style="list-style-type: none"> • Earnings from a business that does not require direct involvement from the owner or merchant • Rent from property • Royalties from publishing a book or from licensing a patent or other form of intellectual property • Earnings from internet advertisements on websites • Residual income, repeated regular income earned by a sales person, generated from the payment of a product or service, that must be renewed on a regular basis in order to continue receiving its benefits • Dividend and interest income from owning securities, such as stocks and bonds, is usually referred to as portfolio income, which may or may not be considered a form of passive income.
Payee	One who receives a payment such as through cash, cheque, money order or promissory note.
Payer	One who makes a payment.
Payment method	Means of payment employed by a customer, such as cash, cheque, money order, or credit card with order or upon invoicing.
Payments	Sums of money paid or claims discharged.
Payslip	A slip of paper included with your pay that records how much money you have earned and how much tax or insurance etc has been taken out.
Penalties	A sum of money required as a forfeit for an offence.
Personal bank accounts	Funds deposited in a bank that are credited to and subject to withdrawal by the depositor.
Personal Financial Management	Personal Financial Management relates to the finances of an individual, and is not concerned with business finances.
Personal income	An individual's total earnings from wages, passive enterprises, and investment interest and dividends.
Personal loan	A loan made for personal, family, or household use, a loan secured by property other than real estate, or unsecured. This is usually not backed by collateral and often used over a short-term basis to cover unexpected expenses like emergency car repairs or to pay bills on time to protect credit rating. Usually unsecured and based on the borrower's integrity and ability to pay.
PIN – Personal Identification Number	A code used to allow access to your personal information and funds.
Personal risk profile	A personal risk profile is an assessment of the level of risk you are comfortable with taking when making investments, balanced with the level of returns you would like to earn on those investments. Think of a ladder, and call it the

	<p>“returns ladder”. The highest investment returns are right at the top of the ladder and the lowest returns are right at the bottom of the ladder. The higher you climb up the ladder, the higher the returns you earn on your investments but the higher your risk of falling. You can’t have high returns without taking the higher risk. Your personal risk profile refers to where you stand on the returns ladder.</p>
Phishing	<p>Phishing is any method in which a person tries to obtain sensitive personal information from another person with the intention of using that information for criminal activities. Phishing scams are typically fraudulent email messages appearing to come from legitimate enterprises (e.g. your university, your internet service provider, your bank). These messages usually direct you to a spoofed website or otherwise get you to divulge private information (e.g. password, credit card, user names or other account updates). The perpetrators then use this private information to commit identity theft.</p>
Portfolio diversification	<p>Portfolio diversification is the means by which investors minimise or eliminate their exposure to company-specific risk, minimise or reduce systematic risk and moderate the short-term effects of individual asset class performance on portfolio value. This occurs when investors spread their available funds over a wider selection of investments, such as property, Government Stock and shares. Diversification can focus on different asset classes, a varied geographic spread for their investments and different expected timeframes for maturity.</p>
Price	<p>The amount of money paid for buying a good or service.</p>
Principal	<p>The amount borrowed, or the part of the amount borrowed which remains unpaid (excluding interest).</p>
Priorities	<p>Something afforded or deserving prior attention or having precedence, established by order of importance or urgency.</p>
Private superannuation	<p>The savings which have been accumulated over time by an individual which are used to fund retirement or are funds which can be used for investment. Private superannuation is not government funded.</p>
Profit	<p>Profit is income received by the owner of a business for risk taking and management.</p>
Progressive tax	<p>In a progressive structure, the tax rate increases as more income is earned. This is a tax which rises as a fraction of income as income rises.</p>
Property	<p>Property can be:</p> <ul style="list-style-type: none"> • Something owned; a possession • A piece of real estate • Something tangible or intangible to which its owner has legal title properties such as copyrights and trademarks • Possessions considered as a group • The right of ownership; title.

Proportional tax	A proportional tax is one that is levied at a constant fraction of amount. A tax which takes the same proportion of income as income rises.
Provisional tax	Provisional tax is not a separate tax. It is a way of paying your income tax in instalments during the year. The amount you pay during the year is credited against your end of year tax to pay.
Rate of return	A rate of return is the percentage of the original amount invested that is earned/returned to you during or at the end of your investment period (the length of time you hold the investment for).
Receipts	Written evidence of a transaction made. Any money received.
Regressive tax	A regressive tax is one that falls as a fraction of income as income rises. It takes a higher proportion of low incomes than it does of high incomes (e.g. VAT). The tax paid as a percentage of income falls as income rises.
Regular items	Recurring uniformly or habitual in time or manner.
Rent	A charge or a payment or series of payments made by the lessee to an owner for use of some property, facility, equipment or service.
Resident Interest Withholding Tax (RIWT)	RIWT is the tax taken out of resident passive income. If you receive interest from any person or organisation, resident interest withholding tax (RIWT) is deducted before the interest is credited to you. This might be interest from financial institutions (banks, finance companies, building societies or credit unions) or even interest on a credit balance with Inland Revenue. Payers of interest (such as banks and similar institutions) take RIWT out of interest payments and send it to Inland Revenue.
Residential rental property	A rental property used for residential purposes, rather than industrial or commercial purposes. A rental property is a property where a tenant pays the owner for the use of the property.
Retirement savings	Personal savings put aside specifically for use in retirement.
Risk	Risk refers to the possibility an investor will either lose some or all of the money invested or not receive an expected return.
Risk and return relationship	The relationship between risk and return means that the returns you will get when investing your money will vary according to the risk level of the investment. You may lose money but if you take greater risks, you should also expect to get greater returns. No investment return is ever guaranteed – there is always a risk.
Risk management	Risk management is the process of assessing what your personal financial risk profile is, identifying the risk of the different investment products you are considering and then matching your risk profile to suitable investments. It means having a plan to deal with those possible changes, especially if those changes cause the value of your investment to decrease. Hedging is one example of a plan to limit possible losses in the future.

Royalties	A royalty is a payment to the holder of a copyright or patent, or to the owners of technology or trade names, for the right to their use.
Safety deposit (box)	A box or vault, especially in a bank, offering the service of safe storage of such items as money, valuables, jewellery and important documents etc.
Salary	Salary is a payment for work calculated on a yearly basis and is not related to the number of hours worked. A salary is received on a regular basis, usually weekly, fortnightly or monthly. Sometimes the term is used to include other benefits.
Savings	<p>Money you put in the bank for use at a later time.</p> <p>Savings is money set aside for a future use that is held in easily-accessed accounts, such as savings accounts. Savings are cash related with the expectation of no risk of capital loss and relate to short-term goals. To save money is to put money aside for use in the future. We normally keep our savings in a bank account where it will be safe and earn a reasonable rate of interest. We generally save money for emergencies or for making specific purchases in the near term e.g. travelling overseas.</p>
Savings account	A bank account that accepts deposits and allows withdrawals and usually accumulates interest. Withdrawals cannot be made by writing a cheque.
Scam	A scam is a ploy to obtain money or other goods or information from somebody by dishonest means. It is an attempt to intentionally mislead a person usually with the goal of financial or other gain. Deception techniques can include fake personalities, fake photos, fake template letters, non-existent addresses and phone numbers, forged documents, and non-existent businesses. A financial scam is the attractive but false presentation of financial assets, transactions or schemes, by manipulators whose real aim is to pocket those investor's savings.
Security	Property which is pledged as collateral for a loan/mortgage.
Self-employed	An individual who operates a business or profession as a sole proprietor, partner in a partnership, independent contractor or consultant.
Self-sufficiency	When the land and sea gives people the food, clothing and shelter they need.
Shares	Shares are an entitlement to a proportion of the ownership of a business with the expectation that the share owner will get a portion of the business' profit.
Specialised advice	Provision of expert financial counsel, financial planning information or financial advisory services.
Speculation	Speculation is the process of selecting investments with higher risk in order to profit from an anticipated price movement. Speculation is a form of high risk investment. Speculators, like investors, aim to use their money to make more money but are willing to accept very high levels of risk to do so.
Spending	What is paid for goods or services.
Statement	A record of transactions and their effect on account balances over a specified period of time, for a given account.

Tax	Tax is a compulsory charge or payment, levied by government, on income, a product or activity.
Tax code	The tax code is what decides how much tax is deducted from income. The tax code chosen depends on how many sources of income there are, and whether the tax payer has a student loan.
Telephone banking	Telephone banking is a service provided by a financial institution which allows its customers to perform transactions over the telephone. This normally includes bill payments for bills from major billers (e.g. for electricity).
Term deposit	A term deposit is a deposit at a bank or other financial institution that has a fixed return (usually via an interest rate) and a set maturity date. The depositor does not have access to the funds until maturity; in exchange, he/she is usually entitled to a higher interest rate than for a call account.
Term investment	A deposit lodged by a customer with a bank for an agreed period of time, on which the bank pays a set or advertised rate of interest. The timeframe and interest rate are often determined by the size of the deposit.
Text banking	The text banking service enables customers to retrieve information about their accounts, check account balances, get mini bank statements, transfer funds between accounts and pay bills from a mobile phone through text messaging.
Time in the market	Time in the market is the length of time that an investor expects to own an investment. It is used to determine the investor's income needs and desired risk exposure, which is then used to aid in investment selection. Time in the market reduces risk exposure.
Trade-off	What you are prepared to give up to get what you want (opportunity cost).
Transactional account	A cheque or similar account from which transfers can be made to third parties through cheques, drafts, online transfers, arrangements of standing orders, direct debits or payment via a debit card.
Transaction costs	These are the costs associated with buying and selling assets/investments. The charges you pay middlemen for their services e.g. fees, commissions.
Unearned income	Unearned income is an individual's income derived from investments, such as interest and dividends from investments, or income from rental property and other sources other than related to employment services.
Value Added Tax (VAT)	Value Added Tax (VAT) is Fiji's main type of tax apart from income tax. It is an indirect tax, which businesses (including retailers) charge as part of the cost of goods and services that they supply. The current rate is 15%.
Variable expenses	Variable expenses change depending on your consumption of a good or service. A variable expense is a cost that may change significantly from period to period, such as week to week, month to month, quarter to quarter or year to year. Typical household variable expenses are household maintenance expenses such as painting or yard care, general expenses such as clothing, groceries, and car maintenance and fuel.
Variable interest rate	An interest rate that changes according to the underlying or benchmark interest

	rate index.
Volatility	Volatility is a measure of an asset's stability. It is a term used to describe the risk of an investment product. If the returns for a particular investment fluctuate and are very uncertain, the investment has high volatility. Investments with high volatility are risky investments since you cannot accurately predict whether you make or lose money or how much money you might make or lose. Volatility can be low, high, short, medium, or long term and can vary across asset classes.
Wages	The amount of money or its equivalent received during a period of time in exchange for labour or services, calculated on an hourly basis.
Wants	What you'd like to have but don't really need. A wish or desire for something you would like to have but is not essential for survival. Something that is desired to increase the quality and enjoyment of life.
Wealth	Wealth is financial independence through the accumulation of net assets. It is the abundance of valuable resources or material possessions or the control of such assets.
Wealth creation	Wealth creation involves the building of assets by means of careful investment into asset-based investments, usually over a long period of time so as to achieve an income stream that will ensure a continuation of a high quality life-style in the years beyond retirement.
Withdrawal	Money out from a bank, or 'money out' in a Cash Book.
Yields	Yield is the income that your investments generate while you own them. For example, if you own a rental property, the rent that you receive from the tenants each month is called the rental yield. It is calculated as the return on an investment, normally expressed as a percentage of its current value.

Sources: Many different sources were used to compile this list. They include the New Zealand Bankers' Association glossary, and a number of internet sites such as www.investorwords.com, www.thefreedictionary.com, www.answers.com, www.sorted.org.nz and www.whatstax.govt.nz, <http://www.looklearninvest.org.nz/glossary.php#investment-plan>, <http://www.sorted.org.nz/glossary>, NZQA Personal Financial Management Unit Standard

6.3 Project evaluation of student behavioural change**Form Three****Scoring:****1 = Not at all 2 = Occasionally 3 = Some of the time 4 = Most of the time 5 = All the time**

	1	2	3	4	5
1. I spend wisely					
2. I save					
3. I know what I am spending my money on					
4. I know the value of money					
5. I budget					
6. I compare prices when buying					
7. I keep a record of expenditure					
8. I analyse advertisements					
9. I investigate income sources					
10. I know different savings options					
11. I can describe taxes					
12. I am aware of pressure from other people to spend money					
13. I take responsibility for making sure my money is used for its intended purpose					
14. I can prioritise the things I need and the things I want					
15. I think about the best way to pay for the items I buy					
16. I track the money I spend to determine where it is going					
17. I keep money in a safe place					
18. I am saving money on a regular basis					
19. I set short-term financial goals					
20. I know the impact that cultural obligations have on my family's financial situation					