



## Level 5 Diploma in Administrative Assistant (677) 139 Credits



<b>Unit:</b> Personal Finance	<b>Guided Learning Hours:</b> 240
<b>Exam Paper No.:</b> 5	<b>Number of Credits:</b> 24
<b>Prerequisites:</b> Basic business organisational knowledge.	<b>Corequisites:</b> A pass or higher in Certificate in Business Studies or equivalence.
<p><b>Aim:</b> The unit prepare learners deal with decisions about financial strategies, cash flow management, managing risk and insurance, and retirement needs and analysis. Emphasis is on the significant financial decisions facing each household during its life cycle. The role of financial institutions and governmental economic policy is evaluated in the context of their potential impact on personal financial planning. Introduction and comprehensive overview of personal financial planning, managing assets, credit, insurance, investments, retirement and estate planning are covered. The unit then looks on taxation, estate planning and regulatory aspects of an individual's lifelong saving, borrowing and investment decisions. The unit educate learners in making informed financial choices over their working careers. Other topics include credit management, credit scores, tax planning, consumer loans, home purchase and mortgage financing, property, life and health insurance, mutual funds, stock and bond investing, retirement and estate planning. Tax system is described covering both estate and gift taxes. Further management of property and its disposition is described with use of such tools as of wills and wills substitute such as life insurance. This unit also reviews various business structuring and the special issues associated with creation, retention or disposition of a business interest in a family's financial planning.</p>	
<b>Required Materials:</b> Recommended Learning Resources.	<b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.
<b>Special Requirements:</b> The unit requires a combination of lectures, demonstrations and class discussions.	
<p><b>Intended Learning Outcomes:</b></p> <p>1. Personal Financial Planning topics including investment, budgeting, expenses, debt, saving, retirement and insurance among others.</p> <p>2. The tools and techniques for analysing Financial Statement to gauge the effectiveness and efficiency of a going concern.</p> <p>3. Household finance issues; personal debt, control over financial and cash flow; how to overcome problems of household finance.</p> <p>4. The importance of cashflow planning; planning for short or long-term funding</p>	<p><b>Assessment Criteria:</b></p> <p>1.1 Outline the characteristics of finance</p> <p>1.2 Analyse the tools used in financial decisions</p> <p>1.3 Describe personal finance issues</p> <p>1.4 Define budgeting, cutting expenses, getting out of debt, saving for retirement and insurance</p> <p>1.5 Explain Time Value of Money analysis</p> <p>1.6 Describe compounding</p> <p>1.7 Describe Present Value (PV), Future Value (FV), annuities and rate of return</p> <p>1.8 Calculate the FV of an investment</p> <p>1.9 Calculate the time value of money</p> <p>2.1 Evaluate and be able to construct financial statements</p> <p>2.2 Define and calculate personal financial ratios</p> <p>2.3 Prepare and interpret financial statements in comparative and common- size form.</p> <p>2.4 Compute and interpret financial ratios that would be most useful to a common share holder.</p> <p>2.5 Compute and interpret financial ratios that would be most useful to a short-term creditor</p> <p>2.6 Compute and interpret financial ratios that would be most useful to long -term creditors.</p> <p>3.1 Describe consumer loans</p> <p>3.2 Outline consequences and effects of bankruptcy</p> <p>3.3 Describe the process of buying a house</p> <p>3.4 Explain household expenses</p> <p>3.5 Analyse the pros and cons of buying or renting a house</p> <p>3.6 Outline the process of selling a home</p> <p>4.1 Explain the goals of cashflow planning</p> <p>4.2 Outline reasons of savings</p>

requirements of a business and highlight important forecast cash requirements.	4.3 Define budgeting 4.4 Describe liquid assets and how to manage them 4.5 Illustrate the timing differences between profits and cash flows 4.6 Outline planning pitfalls when forecasting cash flow
5. Debt analysis; the difference between the monthly income and the monthly amount spend to maintain debt.	5.1 Describe debt strategies 5.2 Describe advantages and disadvantages of paying cash vs credit 5.3 Describe implications of credit cards 5.4 Demonstrate debt to income ratio
6. Financial investments; the purchase of goods not consumed today but used in the future to create wealth.	6.1 Define financial and nonfinancial assets 6.2 Outline reasons for leasing rather than buying 6.3 Outline the risk vs return investment principles 6.4 Explain different investment alternatives 6.5 Explain the basics of financial markets 6.6 Analyse different health care plans 6.7 Describe the different financial institutions 6.8 Outline the Risk Management Framework steps 6.9 Describe non-financial investment categories
7. Understand how the Risk Management Framework (RMF) provides a disciplined and structured process that integrates information security	7.1 Outline the risk management process 7.2 Analyse risk management tools 7.3 Describe the different types of insurance policies 7.4 Describe the goals and purpose of life insurance 7.5 Analyse the types of risks insurances cover 7.6 Demonstrate risk management activities into the system development life cycle
8. The goal and process of retirement planning; challenges of domain models addressing the future, uncertainty, volatility, change dynamics.	8.1 Analyse the retirement planning process 8.2 Explain the types of risks in retirement planning 8.3 Explain how to construct a retirement plan 8.4 Describe the Monte Carlo method
9. Tax projection to implement proper tax planning strategies to create value and manage risk.	9.1 Describe different taxes 9.2 Define tax planning 9.3 Describe how taxable income is calculated 9.4 Demonstrate how to complete/fine tax forms
10. Estate planning solutions Will writing and estate planning requirements necessary to help protect estate and ensure assets.	10.1 Identify objectives of estate planning 10.2 Demonstrate how to design a <i>will</i> 10.3 Describe the probate process
<b>Methods of Evaluation:</b> A 2½-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Personal Finance with a weighting of 100%.	

### Recommended Learning Resources: Personal Finance

<b>Text Books</b>	<ul style="list-style-type: none"> <li>• Personal Finance by George Callaghan, Ian Fribbance, Martin Higginson. ISBN-10: 0470028556</li> <li>• An Introduction to Personal Finance by Anne Marie Ward. ISBN-10: 1907214267</li> <li>• Personal Finance by Robert B. Walker. ISBN-10: 0073530654</li> </ul>
<b>Study Manuals</b> 	BCE produced study packs
<b>CD ROM</b> 	Power-point slides
<b>Software</b> 	Microsoft Office