

YEAR 10

COMMERCIAL STUDIES WORKSHEET

WEEK 1:(24th to 28th May) 2021

Week 1

Monday work

Strand 1:

PERSONAL FINANCE II

Summary notes

economic and social challenges a family faces in managing their savings.

#	Economic Challenge	#	Social Challenges
a.	Unemployment	a.	Religious Contribution Eg. soli
b.	Sole Bread Winner	b.	Community Contribution
c.	Hire Purchase Commitment	c.	Family events. Eg. Deaths, Weddings

social challenges faced in managing your (student) personal finance.

Economic Challenge	Explanation
a. One source of income – pocket allowance	When there's one source of income, pocket money given, will be less.

Socials Challenge	Explanation
a. Recharge Cards	Due to social media, students spend a lot of money on recharge cards.
b. Electronic Gadgets	Students spend a lot on updating their electronic gadgets which affects savings.
c. Peer Pressure	Buying to impress friends is a hindrance to savings.

Activity 1

1. The **best** way of maximising income for an individual is to
 - A. borrow from friends.
 - B. open a Facebook account.
 - C. engage in impulse buying.
 - D. invest in a financial institution.

2. Income contribution to well-being can be in the form of
 - A. begging on the street.
 - B. having uncomfortable lifestyle.
 - C. improvement in standard of living.
 - D. not being able to satisfy your needs and wants.

3. **PARAGRAPH WRITING**

Write a paragraph in between 75-100 words.

“Managing personal finance is a challenge in itself”.

With reference to the above statement

- Discuss two challenges faced in managing a students personal finance
 - Describe a way how these challenges could be overcome
 - Identify two ways to maximize income to increase income in the future.
4. State two benefits and two costs of a non-financial nature.
 5. **Put your money to work** is one of the principles of good financial management. Explain.

Week 1
Tuesday work

Strand 2: MANAGING CREDIT

Activity 2

- 1.Explain the two sources of borrowing.
- 2.Identify the need for borrowing.
- 3.State the impact of borrowing.
- 4.Define credit worthiness.
- 5.Describe the impact of increasing debt on current and future spending options.

Week 1
Wednesday work

Strand 3: MANAGING RISK AND FINANCIAL PLANNING

Summary notes

possible risks for a family property.

- a. Fire
- b. Flood
- c. Natural Disasters
- d. Theft
- e. Water Damages
- f. Loss of Income

insurance companies(agents) that is available in Fiji.

- a. LICl Life Insurance Corporation of India
- b. BSP Life Bank of the South Pacific Life Insurance

- c. Sun Insurance
- d. Tower Insurance

4 ways on how we can manage or protect ourselves against risk.

- a. Avoid the risk. This means eliminating the possibility of loss by avoiding risky activities such as driving during heavy rainfall.
- b. Reduce the risk. Take steps to lower financial losses like wearing seatbelts while driving.
- c. Accept the risk. Planning to pay all the financial loss with cash available, example, savings for loss to eye glasses.
- d. Transfer the risk. This is done through the purchase of an insurance policy.

Activity 3

1. Use the information given in the extract and your own knowledge to answer the questions that follow.

Mr. Vuli insured his house with Tower Insurance. He pays \$600 for a year.
He has also insured his life under the money back policy for \$ 20 000 for 20 years with BSP Life.

Questions:

- a. Name **one** risk which Mr. Vuli would have insured his house against.
- b. What name is given to the \$ 600 paid every year to Tower Insurance?
- c. Name the type of insurance Mr. Vuli has taken to insure his life.
- d. State one method to protect against each of the risks given below:
 - i. Serious Illness
 - ii. Poor Driving

3. Insurance helps the customers in safeguarding their families from financial worries that arise due to unfortunate circumstances.

- Explain **two** possible risks that you or your family faces.
- Describe **two** principles of insurance as a way of reducing the above risks.
- Discuss **any** popular type of insurance available in Fiji.

Week 1
Thursday work

Strand 4: INVESTMENT IN FINANCIAL INSTITUTIONS

Summary notes

Differentiate between Savings and Investment.

We can access our savings any time when we want to withdraw whereas Investment, we cannot. We have to wait for the agreed time period to end to access it.

4. Identify the basic requirements of investing or saving in a financial institution.

- a. Birth Certificate
- b. TIN
(Tax Identification Number)
- c. Passport Photos
- d. Investment Required \$\$

Describe different ways of investing in financial institutions.

Financial Institution	Method of Investment
a. Commercial Banks	Fixed Term Deposit <i>(Giving a sum of money required for a fixed period)</i>

- | | | |
|----|--|--|
| b. | Fiji National Provident Fund
(FNPF) | By being a voluntary member.
<i>(Giving a sum of money for the desired time period.)</i> |
| c. | Unit Trust of Fiji | Buying units.
<i>(Buying units by giving the sum of money required.)</i> |
| d. | Public Company | Buying shares.
<i>(Buying shares by giving the sum of money required.)</i> |

Notes: Financial institution-FNPF member contribution at FNPF

8%-employee contribution.

10%-employer contribution.

Activity 4

1. Identify the role and purpose of FNPF.
2. What are the requirements needed for a compulsory member ?

3. Investment in financial institutions

Assume you were a 16-year-old student and have registered with the FNPF as a voluntary member. You have a savings of \$40 per month for the first three years as a voluntary member. In the fourth year you became a compulsory member of FNPF with a salary of \$34 000 per annum.

- a. Calculate your savings for the first year as a voluntary member.
- b. How much would you contribute towards FNPF as a compulsory member per year?
- c. Calculate the accumulated amount of savings at retirement.

4. Sam is a 21-year-old auditor who had just started working this year from January in an accounting firm. He earns \$19 000 per annum. Calculate the total amount of FNPF deducted from sam's pay for the whole year.

Week 1
Friday work

Strand 4: INVESTMENT IN FINANCIAL INSTITUTIONS

Activity 5

1. Paragraph writing (75-100 words only)

Savings, remember, is the prerequisite of investment.”

– Campbell R. McConnell

With reference to the above statement:

- define savings and investment.
- give **two** basic requirements of investing and saving in any financial institution in Fiji.
- state **one** way of investing income in Fiji National Provident Fund(FNPF).

Strand 5: FINANCIAL PLANNING FOR THE FUTURE

1. List down the factors that influence an individual's investment decisions.
2. List down factors that influence short term and long term investment decisions.
3. List down the long term savings goal that influence savings and investment.