



<b>Component level</b>	1
<b>Component guided learning hours (GLH)</b>	27
<b>Ofqual component reference no.</b>	J/616/4864
<b>Component sector</b>	14.1 Foundations for Learning and Life

### Component summary

This component provides the learner with an understanding of the different elements involved in dealing with personal finances. It covers income and expenditure, living within a limited budget, budgeting, saving and dealing with financial information.

This component has **six** learning outcomes

<b>1</b>	Know what is meant by income and expenditure
<b>2</b>	Know how to deal with living on a limited budget
<b>3</b>	Know how to undertake financial transactions
<b>4</b>	Know where to find key financial information on everyday documents
<b>5</b>	Know what saving means
<b>6</b>	Be able to produce a simple budget plan

### Summary of assessment

This component is assessed through an internally set, internally marked, and externally verified portfolio of evidence. Our expectations on assessment and the evidence we require is detailed in the AIM Specification available on our website ([www.aimgroup.org.uk](http://www.aimgroup.org.uk)).

### Or

An externally set, externally marked online Multiple-Choice Question (MCQ) exam. The online multiple-choice exam must be invigilated by an AIM approved invigilator. Further information on our requirements is detailed in the specification.

Where a component may be assessed through either of portfolio of evidence, or an externally set, externally marked MCQ exam, the centre must choose one of these assessment methods in the assessment of the component.



Centres must devise assessment activities to meet the assessment criteria below if the assessment is by a portfolio of evidence:

Learning outcomes	Assessment criteria
The learner must:	The learner must be able to:
1. Know what is meant by income and expenditure	1.1 State possible sources of personal income 1.2 State items of personal expenditure 1.3 Give examples of essential and non-essential expenditure
2. Know how to deal with living on a limited budget	2.1 Outline possible difficulties of coping on a limited budget 2.2 Give examples of ways to minimise the difficulties of coping on a limited budget
3. Know how to undertake financial transactions	3.1 Give examples of financial transactions and their purpose 3.2 Outline different methods of paying for goods or a service 3.3 Outline different methods of paying money into an account
4. Know where to find key financial information on everyday documents	4.1 Outline the purpose of a receipt and identify key items on it 4.2 Identify key items recorded on a payslip and state what they can be used for 4.3 Identify key items on a financial statement 4.4 State how the information in one document might be checked for errors
5. Know what saving means	5.1 Outline the benefits of saving 5.2 Outline different ways to save money 5.3 State preferred method of saving in a given situation
6. Be able to produce a simple budget plan	6.1 State the purpose of a budget plan for the future 6.2 Outline personal spending and income over a given period 6.3 State whether income or expenditure is higher



The following assessment methods can be used in the assessment of this component:

- Written tasks/questions and answers
- Oral questions and answers
- Group discussion
- Written or pictorial information

This list is not exhaustive and other appropriate assessment methods may be used.

<i>Version number</i>	<i>Date</i>	<i>Description</i>
1	Nov 2022	Document created

#### Notes

It is expected that before the component is delivered, the Tutor/Assessor will have read the specification to ensure all conditions regarding Rules of Combination, delivery, assessment and internal quality assurance are fulfilled.