



Component level	2
Component guided learning hours (GLH)	24
Ofqual component reference no.	J/617/1068
Component sector	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 **three** learning outcomes

1	Understand what is meant by income and expenditure
2	Understand the issues of coping on a limited budget
3	Know how to undertake financial transactions
4	Understand key financial information on everyday documents
5	Understand what saving means
6	Be able to produce a 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).

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. Understand what is meant by income and expenditure	1.1 State possible sources of personal income 1.2 Outline the advantages and disadvantages of each source of personal income stated 1.3 Describe items of personal expenditure 1.4 Assess how income and expenditure might be affected by changing circumstances
2. Understand the issues of coping on a limited budget	2.1 Describe possible difficulties of coping on a limited budget in a minimum of three different situations 2.2 Compare strategies to minimise the difficulties of coping with a limited budget in a particular situation
3. Know how to undertake financial transactions	3.1 Describe different kinds of financial transaction and their purpose 3.2 Compare different methods of carrying out financial transactions
4. Understand key financial information on everyday documents	4.1 Describe the purpose of a receipt 4.2 Identify key items on a receipt. 4.3 Describe key items recorded on a payslip and their purpose 4.4 Describe key items on a financial statement and their purpose 4.5 Describe how financial information can be checked for errors
5. Understand what saving means	5.1 Explain the benefits of saving 5.2 Compare ways to save money and which method of saving is preferable in different circumstances
6. Be able to produce a budget plan	6.1 Describe the advantages of planning a budget 6.2 Assess likely spending and income over a given period 6.3 Compare predicted and actual spending and income



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.