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## US 28095 Investment Options



## Student Assessment

**Student name:**

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**NSN number:**

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**Date (DD/MM/YYYY):**

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LEVEL

2

CREDITS

3

THEMES

KiwiSaver  
Investing  
Retirement

NZQA QAAM

# 3181

## Explain personal financial savings and investment options

Version: 4 | Level 2 | Credits: 3

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### Assessment activity



This assessment requires you to explain personal financial savings and investment options.

This assessment has **one task**.

You will be assessed on how well you:

- explain three investment options (KiwiSaver and two others) in terms of their:
  - costs and/or fee(s)
  - length of time
  - deposit or initial outlay
  - contribution options including amount and frequency
  - risk
  - rewards.
- describe the suitability of your choices for an individual investor profile
- justify the suitability of your selected investment options for an individual investor profile.

## Award of grades

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For each of KiwiSaver and two other financial savings and investment options, you need to:</p> <ul style="list-style-type: none"> <li>• explain personal savings and investment options in terms of their features. Investment options may include but are not limited to:               <ul style="list-style-type: none"> <li>- savings accounts</li> <li>- term deposits</li> <li>- bonds</li> <li>- shares</li> <li>- property</li> <li>- KiwiSaver</li> <li>- commodities</li> <li>- currency</li> <li>- derivatives</li> <li>- other alternatives</li> <li>- business ownership.</li> </ul> </li> </ul> <p>Features include - cost and/ or fee(s), length of time, deposit or initial outlay, contribution options, risk, reward.</p>	<p>As well as meeting the requirements for Achievement, you need to:</p> <ul style="list-style-type: none"> <li>• describe the suitability of the options.</li> </ul>	<p>As well as meeting the requirements for Merit, you need to:</p> <ul style="list-style-type: none"> <li>• justify the suitability of the options.</li> </ul>

## Conditions of assessment

This is an **open book assessment**. Your teacher will let you know what learning materials, work, and resources you can access to help you complete the assessment task. Answers must be in your own words.

Your teacher will provide you with information regarding timeframes for this assessment and options for presenting your responses.

## Task

Read the scenario below. You will be required to suggest and explain investment options in terms of their suitability for Joshua's investor profile.

Joshua is a single father in his mid-twenties. He has one primary aged daughter and is currently living with his parents to save on rent and to get extra support with raising his child on his access weekends.

Joshua works as a builder and has high ethical considerations. His job security is good, and he earns \$59,000 a year, while also contributing the minimum to KiwiSaver. At the moment he saves around \$60 a week and has \$3,000 in a savings account. He doesn't have any significant debts.

Joshua has just given \$20,000 from his parents to help him get ahead in life. It's important to him not to take any significant risks and he would rather have a secure investment that provides a reliable return. He would like to be able to access at least some of the money in 10 years when his daughter will be leaving school, in order to help her with her chosen course of study. Joshua is also aware that he should be thinking about his own future needs.

### Question One

- a) Joshua has asked you to explain his KiwiSaver investment. Complete the table to explain the features of his KiwiSaver.

	KiwiSaver
Cost and/or fee(s)	
Length of Time	
Deposit or initial outlay	
Contribution options e.g. amount and frequency	
Risks	

Rewards	
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b) Joshua has asked you to recommend two investment options that are a good match for his investor profile. Choose the investment options from the following list:

- saving accounts
- term deposits
- bonds
- property
- commodities
- currency
- derivatives
- other alternatives
- business ownership

Complete the table to explain the features of the personal investment options you have chosen.

	Option 1:	Option 2:
Cost and/or fee(s)		
Length of Time		
Deposit or initial outlay		
Contribution options e.g. amount and frequency		
Risks		

Rewards		
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## Question Two

Explain why Joshua's personal financial investment options are suitable for him.

In your explanation, state why the investment option suits Joshua's investor profile. For example, by referring to one or more of the following factors:

Joshua's:

- financial goals
- income
- family situation
- financial security
- tolerance of risk.

KiwiSaver:

Option 1:

Option 2:

## Question Three

Using the details from the scenario, justify why these investment options are more suitable than other investment options for Joshua.

For more help, visit  
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