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US 28095 Investment Options



Student Assessment

Student name:

NCEA number:

Date (DD/MM/YYYY):

LEVEL

2

CREDITS

3

THEMES

KiwiSaver
Investing
Retirement

Analyse personal financial investment options

Version: 3 | Level 2 | Credits: 3

Assessment activity



This assessment requires you to analyse personal financial options.

This assessment has **one task**.

You will be assessed on how well you:

- Analyse two investment options (KiwiSaver and one other) in terms of their:
 - costs
 - length of time
 - deposit and/or contribution options
 - risks
 - rewards.
- Make links to 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>You need to:</p> <ul style="list-style-type: none"> • analyse two investment options (KiwiSaver and one other) in terms of their: <ul style="list-style-type: none"> - cost - timeframes - deposit and/or contribution options - risks - rewards. <p>The two investment options need to be relevant and realistic for the investor’s profile.</p>	<p>As well as meeting the requirements for Achievement, you need to:</p> <ul style="list-style-type: none"> • explain why the two investment options are a good match for the investor’s profile. 	<p>As well as meeting the requirements for Merit, you need to:</p> <ul style="list-style-type: none"> • justify the suitability of the two investment options. <p>The justification needs to be relevant and reasonable.</p>

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 analyse **two** investment options in terms of their suitability for Melanie's investor profile.

Melanie is a solo mum in her mid-thirties. She has two children, both of whom are still at school, and is currently living with her parents to save on rent and to get extra support with raising her kids.

Melanie works for the Department of Conservation and is passionate about the environment. Her job security is good and she earns \$58,000 a year. At the moment she saves around \$60 a week and has \$3000 in a savings account. She doesn't have any significant debts.

Melanie has just inherited \$12,000 from her grandmother and wants to invest this money to help build a more secure future for her whānau. It's important to her not to take any significant risks and she would rather have a secure investment that provides a reliable return. She would like to be able to access at least some of the money in six years when her oldest child will be leaving school, in order to help them with their chosen course of study. Melanie is also aware that she should be thinking about her own future needs.

Being able to generate some regular income from the investment would be really helpful because there are always unexpected expenses to manage.

Question One

Melanie has asked you to recommend two financial investment options that are a good match for her investor profile. One of these options must be **KiwiSaver**. Choose a second investment option from the following list:

- term deposits
- property
- shares
- managed funds
- bonds.

Complete the table to analyse the features of KiwiSaver and the other personal financial investment option you have chosen.

	Option 1: KiwiSaver	Option 2:
Length of time		
Deposit or contribution levels		
Risks		
Rewards		
Costs		

Question Two

Explain why the two personal financial investment options are suitable for Melanie's investor profile.

In your explanations, state why the investment option suits Melanie's investor profile, for example, by referring to one or more of the following factors:

Melanie's:

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

Option 1: KiwiSaver

Option 2:

Question Three

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

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