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US 28092 Riding Life's Waves



Student Assessment

Student name:

NCEA number:

Date (DD/MM/YYYY):

LEVEL

2

CREDITS

3

THEMES

Debt
Managing Money
Credit Ratings

Analyse the effect of significant life events at different life stages on personal financial income

Version: 3 | Level 2 | Credits: 3

Assessment activity



This assessment requires you to analyse the effect of significant life events on personal financial income at different life stages.

This assessment has **one task**.

You will be assessed on how well you:

- Identify and explain sources of income at three different life stages
- Explain the reasons for, and consequences of, changes in income sources at each life stage
- Analyse the effects of a significant life event on personal financial income at each life stage
- Explain and justify potential solutions to minimise or maximise the effect significant life events have on personal financial income.

Award of grades

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For each of the three life stages (tertiary education, mid-career, retirement), you need to:</p> <ul style="list-style-type: none"> • identify at least one source of income • explain why sources of income change at this stage • explain at least one consequence of sources of income changing at this stage • analyse the effect of a significant life event on income • explain at least two solutions that could minimise or maximise the financial impact of the significant life event. 	<p>As well as meeting the requirements for Achievement, for each of the three life stages, you need to:</p> <ul style="list-style-type: none"> • provide at least two examples of the consequences of income sources changing. 	<p>As well as meeting the requirements for Merit, for each of the three life stages, you need to:</p> <ul style="list-style-type: none"> • justify the suitability of the solutions you have explained in terms of their ability to minimise or maximise the financial impact of the significant life event.

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 tasks. 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

In this task, you will be presented with three scenarios, each with two parts. For each scenario, you need to describe:

- at least one source of income
- at least one reason that income sources might change at this life stage
- at least two potential consequences of income sources changing
- at least two specific examples that show potential consequences of income sources changing.

Each scenario includes a significant life event. You need to:

- describe the potential effect(s) of the significant life event on income source(s)
- provide two potential solutions to minimise or maximise the effect of the life event on personal financial income
- justify the suitability of the solutions you have suggested.

Scenario A: Tertiary education stage

Read each part of the scenario and answer the questions that follow.

Part 1:

Anaru will soon be starting the final year of his university degree. Up until now, he has been living at home with his mum and two sisters.

a. What is at least one potential source of income for Anaru?

b. What factors might influence Anaru's sources of income at this life stage (tertiary education)?

c. What are **at least two** potential consequences of these factors?

Consequence A:

Consequence B:

d. How might these consequences impact on Anaru's financial situation?

Impact of consequence A:

Impact of consequence B:

Part 2:

Anaru has decided to **leave home and go flatting** for his final year of study.

e. How might the decision to leave home and go flatting impact on Anaru's potential source(s) of income?

f. What are **two ways** that Anaru can minimise or maximise the effect of this change in terms of his financial situation?

Solution A:

Solution B:

g. Justify the two solutions you have suggested for Anaru, explaining how they will improve his financial situation, either in the short term or the long term.

Justification of Solution A:

Justification of Solution B:

Part 2:

Unfortunately, Melani **recently injured her back** and will be off work for at least six months. Melani and Fraser have around \$5000 in emergency savings.

- e. How might Melani's back injury impact on Melani or Fraser's potential source(s) of income?
- f. What are **two ways** that Melani and Fraser can minimise or maximise the effect of this change in terms of their financial situation.

Solution A:

Solution B:

- g. Justify the two solutions you have suggested for Melani and Fraser, explaining how they will improve their financial situation, either in the short term or the long term.

Justification of Solution A:

Justification of Solution B:

Scenario C: Retirement stage

Part 1:

Jill is in her late 60s and has two children and four grandchildren. She looks after one of her grandchildren one day a week.

- a. What is at least one potential source of income for Jill?
- b. What factors might influence Jill's sources of income at this life stage (retirement)?

c. What are **at least two** potential consequences of these factors?

Consequence A:

Consequence B:

d. How might these consequences impact on Jill's financial situation?

Impact of consequence A:

Impact of consequence B:

Part 2:

Jill's **partner recently passed away**. She currently lives in the family home but is wondering whether it will become too large to manage on her own.

e. How might the loss of Jill's partner impact on her source(s) of income?

f. What are two ways that Jill can minimise or maximise the effect of this change in terms of her financial situation?

Solution A:

Solution B:

g. Justify the two solutions you have suggested for Jill, explaining how they will improve her financial situation, either in the short term or the long term.

Justification of Solution A:

Justification of Solution B:

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