



<b>Unit title</b>	Personal and Business Finance
<b>Guided learning hours</b>	120
<b>Number of lessons</b>	60
<b>Duration of lessons</b>	55 minute lessons based in C301


Lesson	Topic
1-2	<p><b>Unit introduction</b></p> <p><b>Topic A.1 Functions and role of money</b></p> <ul style="list-style-type: none"> <li>• Functions of money and associated factors:                             <ul style="list-style-type: none"> <li>○ unit of account</li> <li>○ means of exchange</li> <li>○ store of value</li> <li>○ legal tender.</li> </ul> </li> <li>• Role of money is affected and influenced by a number of factors:                             <ul style="list-style-type: none"> <li>○ personal attitudes towards risk and reward, borrowing, spending and saving</li> <li>○ life stages (childhood, adolescence, young adult, middle age, old age), key features of each stage, financial needs and implications at each stage</li> <li>○ culture including religious and ethical beliefs</li> <li>○ life events can vary the personal life cycle from individual to individual</li> <li>○ external influences/trends and the financial-related effects</li> <li>○ interest rates, cost of borrowing versus reward of saving.</li> </ul> </li> </ul>



Lesson	Topic
3-4	<p><b>Topic A.1 Functions and role of money</b></p> <ul style="list-style-type: none"> <li>• Functions of money and associated factors: <ul style="list-style-type: none"> <li>○ unit of account</li> <li>○ means of exchange</li> <li>○ store of value</li> <li>○ legal tender.</li> </ul> </li> <li>• Role of money is affected and influenced by a number of factors: <ul style="list-style-type: none"> <li>○ personal attitudes towards risk and reward, borrowing, spending and saving</li> <li>○ life stages (childhood, adolescence, young adult, middle age, old age), key features of each stage, financial needs and implications at each stage</li> <li>○ culture including religious and ethical beliefs</li> <li>○ life events can vary the personal life cycle from individual to individual</li> <li>○ external influences/trends and the financial-related effects</li> <li>○ interest rates, cost of borrowing versus reward of saving.</li> </ul> </li> </ul>
5-6	<p><b>Topic A.1 Functions and role of money</b></p> <ul style="list-style-type: none"> <li>• Planning expenditure, common principles to be considered in planning personal finances: <ul style="list-style-type: none"> <li>○ to avoid getting into debt</li> <li>○ to control costs</li> <li>○ avoid legal action and/or repossession</li> <li>○ remain solvent</li> <li>○ maintain a good credit rating</li> <li>○ avoid bankruptcy</li> <li>○ to manage money to fund purchases</li> <li>○ generate income and savings</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>○ set financial targets and goals</li> <li>○ provide insurance against loss or illness</li> <li>○ counter the effects of inflation.</li> </ul>
7-9	<p><b>Topic A.2 Different ways to pay</b></p> <ul style="list-style-type: none"> <li>• The use of money as a payment method, advantages and disadvantages of: <ul style="list-style-type: none"> <li>○ cash</li> <li>○ debit card</li> <li>○ credit card</li> <li>○ cheque</li> <li>○ electronic transfer</li> <li>○ direct debit</li> <li>○ standing order</li> <li>○ pre-paid cards</li> <li>○ contactless cards</li> <li>○ charge cards</li> <li>○ store cards</li> <li>○ mobile banking</li> <li>○ Bankers' Automated Clearing Services (BACS) Faster Payments Service (FPS)</li> <li>○ Clearing House Automated Payment System (CHAPS).</li> </ul> </li> </ul>
10-11	<p><b>Topic A.3 Current accounts</b></p> <ul style="list-style-type: none"> <li>• Different types, features, advantages and disadvantages, different services offered: <ul style="list-style-type: none"> <li>○ standard</li> <li>○ packaged, premium</li> <li>○ basic</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>○ student.</li> </ul>
12–13	<p><b>Topic A.4 Managing personal finance</b></p> <ul style="list-style-type: none"> <li>• Different types of borrowing, features, advantages and disadvantages:               <ul style="list-style-type: none"> <li>○ overdraft</li> <li>○ personal loans</li> <li>○ hire purchase</li> <li>○ mortgages</li> <li>○ credit cards</li> <li>○ payday loans.</li> </ul> </li> </ul>
14–15	<p><b>Topic A.4 Managing personal finances</b></p> <ul style="list-style-type: none"> <li>• Different types of saving and investment features, advantages and disadvantages:               <ul style="list-style-type: none"> <li>○ individual savings accounts (ISAs)</li> <li>○ deposit and savings accounts</li> <li>○ premium bonds</li> <li>○ bonds and gilts</li> <li>○ shares</li> <li>○ pensions.</li> </ul> </li> <li>• Risks and rewards of saving versus investment.</li> </ul>



Lesson	Topic
16-18	<p><b>Topic A.4 Managing personal finances</b></p> <ul style="list-style-type: none"> <li>• Different types of insurance products, features, advantages and disadvantages:               <ul style="list-style-type: none"> <li>○ car</li> <li>○ home and contents</li> <li>○ life assurance and insurance</li> <li>○ travel</li> <li>○ pet</li> <li>○ health.</li> </ul> </li> </ul>
19	<p><b>Topic B.1 Features of financial institutions</b></p> <ul style="list-style-type: none"> <li>• Types of organisations and their advantages and disadvantages:               <ul style="list-style-type: none"> <li>○ Bank of England</li> <li>○ banks</li> <li>○ building societies</li> <li>○ credit unions</li> <li>○ National Savings and investments</li> <li>○ insurance companies</li> <li>○ pension companies</li> <li>○ pawnbrokers</li> <li>○ payday loans.</li> </ul> </li> </ul>
20	<p><b>Topic B.2 Communicating with customers</b></p> <ul style="list-style-type: none"> <li>• Methods of interacting with customers, advantages and disadvantages:               <ul style="list-style-type: none"> <li>○ branch</li> <li>○ online banking</li> <li>○ telephone banking</li> <li>○ mobile banking</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>○ postal banking.</li> </ul>
21	<p><b>Topic B.3 Consumer protection in relation to personal finance</b></p> <ul style="list-style-type: none"> <li>• Function, role and responsibilities of:               <ul style="list-style-type: none"> <li>○ Financial Conduct Authority (FCA)</li> <li>○ Financial Ombudsmen Service (FOS)</li> <li>○ Financial Services Compensation Scheme (FSCS)</li> <li>○ Office of Fair Trading (OFT)</li> <li>○ legislation: consumer credit.</li> </ul> </li> </ul>
22	<p><b>Topic B.4 Information guidance and advice</b></p> <ul style="list-style-type: none"> <li>• Function, role and responsibilities, advantages and disadvantages of:               <ul style="list-style-type: none"> <li>○ Citizens Advice</li> <li>○ independent financial advisor (IFA)</li> <li>○ price comparison websites</li> <li>○ money advice service</li> <li>○ debt counsellors</li> <li>○ Individual Voluntary Arrangements (IVAs)</li> <li>○ bankruptcy.</li> </ul> </li> </ul>
23	<p><b>Recap, Revision and mock exam on personal finance</b></p>
24–25	<p><b>Topic C.1 Purpose of accounting</b></p> <ul style="list-style-type: none"> <li>• Recording transactions.</li> <li>• Management of business (planning, monitoring and controlling).</li> <li>• Compliance (preventing fraud, compliance with law and regulations).</li> <li>• Measuring performance.</li> <li>• Control: assisting with the prevention of fraud, trade receivables and trade payables.</li> </ul>



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26–27	<p><b>Topic C.1 Purpose of accounting</b></p> <ul style="list-style-type: none"> <li>• Recording transactions.</li> <li>• Management of business (planning, monitoring and controlling).</li> <li>• Compliance (preventing fraud, compliance with law and regulations).</li> <li>• Measuring performance.</li> <li>• Control: assisting with the prevention of fraud, trade receivables and trade payables.</li> </ul>
28	<p><b>Topic C.2 Types of income</b></p> <ul style="list-style-type: none"> <li>• Capital income: <ul style="list-style-type: none"> <li>○ loan</li> <li>○ mortgages</li> <li>○ shares</li> <li>○ owner’s capital</li> <li>○ debentures.</li> </ul> </li> <li>• Revenue income: <ul style="list-style-type: none"> <li>○ cash sales</li> <li>○ credit sales</li> <li>○ rent received</li> <li>○ commission received</li> <li>○ interest received</li> <li>○ discount received.</li> </ul> </li> </ul>
29	<p><b>Topic C.3 Types of expenditure</b></p> <ul style="list-style-type: none"> <li>• Capital expenditure: <ul style="list-style-type: none"> <li>○ non-current assets: tangible (land, buildings and premises, machinery and equipment, vehicles, fixtures and fittings)</li> <li>○ intangible (goodwill, patents, trademarks, brand names).</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>• Revenue expenditure:               <ul style="list-style-type: none"> <li>○ inventory</li> <li>○ rent</li> <li>○ rates</li> <li>○ heating and lighting</li> <li>○ water</li> <li>○ insurance</li> <li>○ administration</li> <li>○ telephone</li> <li>○ postage</li> <li>○ stationery</li> <li>○ salaries</li> <li>○ wages</li> <li>○ marketing</li> <li>○ bank charges</li> <li>○ interest paid</li> <li>○ straight-line depreciation</li> <li>○ reducing balance depreciation</li> <li>○ discount allowed.</li> </ul> </li> </ul>
30	<p><b>Topic C.3 Types of Expenditure</b></p> <ul style="list-style-type: none"> <li>• Capital expenditure:               <ul style="list-style-type: none"> <li>○ non-current assets: tangible (land, buildings and premises, machinery and equipment, vehicles, fixtures and fittings)</li> <li>○ intangible (goodwill, patents, trademarks, brand names).</li> </ul> </li> <li>• Revenue expenditure:               <ul style="list-style-type: none"> <li>○ inventory</li> </ul> </li> </ul>





Lesson	Topic
	<ul style="list-style-type: none"> <li>○ rent</li> <li>○ rates</li> <li>○ heating and lighting</li> <li>○ water</li> <li>○ insurance</li> <li>○ administration</li> <li>○ telephone</li> <li>○ postage</li> <li>○ stationery</li> <li>○ salaries</li> <li>○ wages</li> <li>○ marketing</li> <li>○ bank charges</li> <li>○ interest paid</li> <li>○ straight-line depreciation</li> <li>○ reducing balance depreciation</li> <li>○ discount allowed.</li> </ul>
31–32	<p><b>Topic D.1 Sources of finance</b></p> <p>Advantages, disadvantages, short term and long term:</p> <ul style="list-style-type: none"> <li>● internal: <ul style="list-style-type: none"> <li>○ retained profit</li> <li>○ net current assets</li> <li>○ sale of assets.</li> </ul> </li> <li>● external: <ul style="list-style-type: none"> <li>○ owner’s capital</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>○ loans</li> <li>○ crowd-funding</li> <li>○ mortgages</li> <li>○ venture capital</li> <li>○ debt factoring</li> <li>○ hire purchase</li> <li>○ leasing</li> <li>○ trade credit</li> <li>○ grants</li> <li>○ donations</li> <li>○ peer to peer lending</li> <li>○ invoice discounting.</li> </ul>
33	<b>Mock Exam</b>
34–36	<p><b>Topic E.1 Cash flow forecasts</b></p> <ul style="list-style-type: none"> <li>• Inflows/receipts:                             <ul style="list-style-type: none"> <li>○ cash sales</li> <li>○ credit sales</li> <li>○ loans</li> <li>○ capital introduced</li> <li>○ sale of assets</li> <li>○ bank interest received.</li> </ul> </li> <li>• Outflows/payments:                             <ul style="list-style-type: none"> <li>○ cash purchases</li> <li>○ credit purchases</li> <li>○ rent</li> </ul> </li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>○ rates</li> <li>○ salaries</li> <li>○ wages</li> <li>○ utilities</li> <li>○ purchase of assets</li> <li>○ Value Added Tax (VAT)</li> <li>○ bank interest paid.</li> <li>● Prepare, complete, analyse, revise and evaluate cash flow.</li> <li>● Use of cash flow forecasts for planning, monitoring, control, target setting.</li> <li>● Benefits and limitations of cash flow forecasts.</li> </ul>
37–39	<p><b>Topic E.2 Break-even analysis</b></p> <ul style="list-style-type: none"> <li>● Costs: <ul style="list-style-type: none"> <li>○ variable</li> <li>○ semi-variable</li> <li>○ fixed</li> <li>○ total.</li> </ul> </li> <li>● Sales: <ul style="list-style-type: none"> <li>○ total revenue</li> <li>○ total sales</li> <li>○ selling price per unit</li> <li>○ sales in value and/or units.</li> </ul> </li> <li>● Calculation using/manipulating, break-even formula (units and/or sales value), completion of break-even chart, break-even point.</li> <li>● Identification of area of profit, area of loss.</li> <li>● Identify and calculate margin of safety (units and value).</li> <li>● Calculation of total contribution, contribution per unit benefits and limitations.</li> </ul>



Lesson	Topic
	<ul style="list-style-type: none"> <li>• Use of break-even for planning, monitoring, control, target setting.</li> <li>• Prepare, complete, analyse, revise and evaluate break-even.</li> </ul>
40-42	<p><b>Topic F.1 Statement of comprehensive income</b></p> <ul style="list-style-type: none"> <li>• Purpose and use.</li> <li>• Completion, calculation and amendment to include gross profit (revenue, opening inventories, purchases, closing inventories, cost of goods sold), calculation of profit/loss for the year (expenses, other income).</li> <li>• Adjustments for depreciation (straight-line and reducing balance).</li> <li>• Adjustments for prepayments, accruals.</li> <li>• Interpretation, analysis and evaluation of statements.</li> </ul>
43-45	<p><b>Topic F.2 Statement of financial position</b></p> <ul style="list-style-type: none"> <li>• Purpose and use.</li> <li>• Completion, calculation and amendment of statement using vertical presentation to include:               <ul style="list-style-type: none"> <li>○ non-current assets (tangible and intangible, cost, depreciation and amortisation, net book value)</li> <li>○ current assets (inventories, trade receivables, prepayments, bank, cash)</li> <li>○ current liabilities (bank overdraft, accruals, trade payables)</li> <li>○ net current assets/liabilities</li> <li>○ non-current liabilities (bank loan and mortgage)</li> <li>○ net assets</li> <li>○ capital (opening capital, transfer of profit or loss, drawings, closing capital).</li> </ul> </li> <li>• Adjustments for straight line (cost x %), depreciation, reducing balance (cost – depreciation to date x %).</li> <li>• Adjustments for prepayments, accruals.</li> <li>• Interpretation, analysis, and evaluation of statements.</li> </ul>
46-47	<p><b>Topic F.1/F.2 The statement together</b></p>
48-49	<p><b>Topic F.3 Measuring profitability</b></p> <p>Calculation, interpretation, analysis and evaluation of:</p>



Lesson	Topic
	<ul style="list-style-type: none"> <li>• gross profit margin: <math>(\text{gross profit}/\text{revenue}) \times 100</math></li> <li>• mark-up: <math>(\text{gross profit}/\text{cost of sales}) \times 100</math></li> <li>• profit margin: <math>(\text{profit}/\text{revenue}) \times 100</math></li> <li>• return on capital employed (ROCE): <math>(\text{profit}/\text{capital employed}) \times 100</math>.</li> </ul>
50	<p><b>Topic F.4 Measuring liquidity</b></p> <p>Calculation, interpretation, analysis and evaluation of:</p> <ul style="list-style-type: none"> <li>• current ratio: current assets/current liabilities</li> <li>• liquid capital ratio: <math>(\text{current assets} - \text{inventory})/\text{current liabilities}</math>.</li> </ul>
51	<p><b>Topic F.5 Measuring efficiency</b></p> <p>Calculation, interpretation, analysis and evaluation of:</p> <ul style="list-style-type: none"> <li>• trade receivable days: <math>(\text{trade receivable}/\text{credit sales}) \times 365</math></li> <li>• trade payable days: <math>(\text{trade payables}/\text{credit purchases}) \times 365</math></li> <li>• inventory turnover: <math>(\text{average inventory}/\text{cost of sales}) \times 365</math>.</li> </ul>
52	<p><b>Topic F.6 Limitations of Ratios</b></p> <ul style="list-style-type: none"> <li>• Limitations of ratios when assessing business performance</li> </ul>
53–58	<b>Revision (including mock exam)</b>
59–60	<b>Exam</b>