

Year 7 - Entry Level 2 - Unit 202 - Personal Finance

Key Vocabulary:

- ◆ Borrow - to borrow money from somewhere or someone (i.e. family/loan)
- ◆ Saving - to put money aside for use at a later point in time
- ◆ Advantage - a condition that puts you in a good or positive position
- ◆ Disadvantage - a condition that puts you in a bad or negative position
- ◆ Financial security - ability to afford your expenses, live comfortably on your income and save for the future
- ◆ Financial flexibility - ability to spend money at any given time

Advantages/Disadvantages of borrowing money:

Advantages:

- ◆ Allows consumers to buy large value items
- ◆ Can be a good way to establish a credit history
- ◆ Be able to do things such as go out with family/friends



Disadvantages:

- ◆ Money has to be paid back
- ◆ High interest rates
- ◆ Getting into debt affects credit rating
- ◆ Family arguments



Emergencies

Buy a car/moped



Saving Money helps with...



Earning Interest

Financial security/flexibility

Keeping personal financial information secure:

- ◆ Monitor your credit regularly
- ◆ Use strong passwords
- ◆ Change passwords regularly
- ◆ Do not share personal information online
- ◆ Use a VPN (Virtual Private Network)
- ◆ Shred all paperwork when not needed anymore

