

Unit ID: 1154

FOUNDATION FINANCIAL SKILLS

Domain

Title:

Apply basic financial literacy skills

Level: 1

Credits: 4

Purpose

This unit standard specifies the outcomes required to apply basic financial skills. It includes applying basic knowledge of banking, budgeting and borrowing. This unit standard is intended for people requiring basic financial skills required in work environment.

Special Notes

1. This unit standard may be used as a core or elective within any vocationally based qualification.
2. Assessment evidence may be collected from a real workplace or a simulated real workplace in which financial skills can be demonstrated.
3. *Naturally occurring evidence* must be derived from activities within a learning programme and/or from a candidate's actual work performance where relevant evidence of competencies can be demonstrated.
4. The assessor must be satisfied that the candidate can demonstrate an understanding of, or competency against, the unit standard as a whole.
5. It is important the candidate is made aware that evidence of competence may be gathered while undertaking their study or work and that this does not create undue stress for them.
6. *Glossary:*
 - *'ATM'* Automated Teller Machine: a computerised self-service machine that lets people carry out basic banking transactions and withdraw cash (also called bank machine) outside the bank.
 - *'Bank'* means a financial institution that handles money for clients including saving, lending, investing and exchanging
 - *'Bank statement'* a monthly accounting document sent by a bank that lists all the activity in the account for the month (deposits, fees, withdrawals, service charges)
 - *'Budget'* a listing or a record of income (money earned) and expenses (money spent or owed) for a certain period of time.
 - *'Cheque'* a written order to a bank asking it to pay the amount of money shown to a specific person or business named as the "payee"
7. Regulations and legislation relevant to this unit standards include the following:
 - Competition Act, No. 2 of 2003
 - Financial Intelligence Act 3 of 2007

- Namibia Financial Institutions Supervisory Authority Act, No. 3 of 2001
- Transformation on Economic Social Empowerment Framework (draft Broad-based Black Economic Empowerment policy April 2008)

Quality Assurance Requirements

This unit standard and others within the subfield may be awarded by institutions that meet the accreditation requirements set by the Namibia Qualifications Authority and the Namibia Training Authority and which comply with the national assessment and moderation requirements. Details of specific accreditation requirements and the national assessment arrangements are available from the Namibia Qualifications Authority and the Namibia Training Authority on www.nta.com.na

Elements and Performance Criteria

Element 1: Apply basic knowledge of banking

Performance Criteria

- 1.1 Basic banking processes and terms are explained.
- 1.2 Different bank accounts are explained.
- 1.3 Different bank products are described and contrasted.
- 1.4 A bank application form is completed correctly.
- 1.5 The uses of an ATM are explained.
- 1.6 ATM security procedures are identified.
- 1.7 Cheques are completed.
- 1.8 A bank statement or transaction record is reconciled correctly.
- 1.9 The term interest is explained and calculated.

Element 2: Apply basic knowledge of budgeting

Range

Terms related to budgeting may include but are not limited to budget, unit price, sales price, discount, Value Added Tax (VAT), saving and spending.

Performance Criteria

- 2.1 Basic terms related to budgeting are explained.
- 2.2 Unit price, sales prices and discounts are calculated.
- 2.3 VAT calculations are performed.
- 2.4 Different ways of saving money are listed.

- 2.5 From a given set of information, an event is planned and costs are determined.

Element 3: Apply basic knowledge of borrowing money

Performance Criteria

- 3.1 Advantages and disadvantages of borrowing are identified.
- 3.2 Factors that can limit the ability to borrow are identified.
- 3.3 The use of creditworthiness evaluation is explained.
- 3.4 Creditworthiness evaluation is performed from given scenarios.
- 3.5 Hire purchase and lay-by costs are calculated.
- 3.6 The use of credit cards is explained.
- 3.7 Given a scenario, an informed decision to either borrow or buy on credit is made.

Registration Data

Subfield:	Finance
Date first registered:	27 March 2013
Date this version registered:	27 March 2013
Anticipated review:	2017
Body responsible for review:	Namibia Training Authority