

Number

Activity 22 Assessment

Financial Literacy Consolidation

Borrowing Money

Defines the term loan and identifies some reasons why people might borrow money.

“I know that vehicles are a lot of money and people may need to borrow money to purchase one.”

Identifies basic sources of loans and understands that borrowing money involves repayment.

“I know that a bank or financial institution may lend money and that it needs to be repaid. If not repaid, there will be penalties and it will be difficult for me to get a loan in the future.”

Identifies factors to consider when deciding to borrow money.

“I have a full-time job with a regular income and the interest rate is quite low. I can afford the monthly payments and would be able to pay the loan back on time.”

Observations/Documentation

Activity 22 Assessment

Financial Literacy Consolidation

Borrowing Money (cont'd)		
<p>Identifies factors used by banks and financial institutions when making decisions about loans.</p> <p>“They have a full-time job, a good loan history, and very little debt. I think the bank would grant them the loan.”</p>	<p>Analyzes the risks and benefits of borrowing money in a variety of situations.</p> <p>Jane wants a \$200 loan to buy a new bicycle. Jane plans to pay it back in 3 monthly installments. Jane earns \$50 per week from their part-time job.</p> <p>“Jane makes about \$200 per month from their part-time job. A new bicycle will get Jane to and from their job. The repayment time is reasonable. There is a risk that Jane loses her job and source of income.”</p>	<p>Identifies situations where an individual can responsibly take on debt.</p> <p>“Jane makes about \$200 per month, so they should be able to pay back \$200 over 3 months. It seems unlikely that Jane will lose their job, and the risk of Jane not repaying the money seems low. I think Jane can responsibly take on the debt.”</p>
Observations/Documentation		

Activity 22 Assessment

Financial Literacy Consolidation

Investing Money			
<p>Defines the term investing and identifies some reasons why people invest money.</p> <p>“I know that investing involves purchasing something that is expected to earn additional money or increase in value. Many people invest money for their retirement.”</p>	<p>Identifies different types of investments and describes the general purpose/benefits of each.</p> <p>“People can buy stocks and when they do, they have ownership in the company. They can earn money through dividends and capital gains.”</p>	<p>Analyzes the risks associated with each type of investment.</p> <p>“Stocks can provide relatively high returns, but there is a higher risk of losing some or all of the investment. They are affected by the economy and by the company’s performance.”</p>	<p>Analyzes the risks and benefits associated with different investment opportunities to make reasonable investment choices.</p> <p>“I know stocks often involve high risk, but I think electric vehicles are the way of the future. So, I will buy stocks in a company that makes electric vehicle battery cells. I will only spend \$2000 because I can afford to lose that if I am wrong.”</p>
Observations/Documentation			