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INSURANCE SECTOR EDUCATION
AND TRAINING AUTHORITY

Learner Name	
ID Number	
Organisation	

FORMATIVE ASSESSMENT: LEARNER WORK FILE VERSION 1

Unit Standard Title: **Describe the financial life cycle of an individual and how this influences financial decisions**

Unit Standard No: **230077**

Unit Standard Credits: **8**

NQF Level: **5**

Mark information:

Specific Outcome/Section	1	2	3	4	5	Total	%	C / NYC
Maximum marks	30	18	11	26		85	100	

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Formative Activities

Section 1: 30 marks

Activity 1

Discuss the wants and needs of an individual at different stages in his/her life cycle taking into account the different theories relating to the needs and the life cycle of an individual. (15)

Activity 2

Explain the effect of attitudes and values on an individual's perception of wants and needs. Make use of examples to substantiate your answers. (8)

**Activity 3**

Interview at least 3 individuals with regards to their attitudes and values. Write a report outlining the application of the interviewees' attitudes and values to the model and potential deviations from the model. (5)



Activity 4

Explain the influence of an individual's occupation and avocations, and lifestyle on basic needs and wants. (2)

Section 2: 18 marks

Activity 5

Explain how an individual's attitude and values change in each life cycle (period) with reference to the impact of change on income and expenditure. (18)



Section 3: 11 marks**Activity 6**

Interview 3 people – each person should be in another life stage, but with more or less the same income.

Write a report with the following headings after your interview:

- The acquisition of assets, savings/investments, preservation of capital of the different people
- How each person made provision for life risk related events (5)

A large empty rectangular box with a black border, intended for the student to write their report. The box is positioned on the left side of the page, below the instructions. In the background, there is a large, stylized graphic of a person in orange and purple colors.

Activity 7

Complete the following table with regards to potential financial solutions that can be suggested to clients for events that can be planned for to ensure the least possible financial disruption. (6)

Life Stage	Age Group	Risk Profile	Objective
1	<50 Years		
2	50 to 60		
3	60 to 65		

Section 4: 26 marks**Activity 8**


Analyse your own lifestyle choices. Use the analysis to predict the potential impact of each choice on your financial situation.

Write a brief summary.

(5)

Activity 9

List and discuss at least 5 events that can trigger entry into a new stage in the financial life cycle and give an indication of the potential financial impact of each event on the financial plan. (5 x 3 = 15)



Activity 10

Briefly discuss the changes in the external environment that can impact on an individual's financial plan with reference to the political, legislative, social, economic and physical environments.

(6)





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**SOUTH AFRICAN QUALIFICATIONS AUTHORITY
REGISTERED UNIT STANDARD:**

Describe the financial life cycle of an individual and how this influences financial decisions

SAQA US ID	UNIT STANDARD TITLE			
230077	Describe the financial life cycle of an individual and how this influences financial decisions			
ORIGINATOR		ORIGINATING PROVIDER		
SGB Insurance and Investment				
QUALITY ASSURING BODY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
ABET BAND	UNIT STANDARD TYPE	OLD NQF LEVEL	NEW NQF LEVEL	CREDITS
Undefined	Regular	Level 5	New Level Assignment Pend.	8
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2009-11-03	2012-06-30	SAQA 0160/05
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2013-06-30		2016-06-30		

In all of the tables in this document, both the old and the new NQF Levels are shown. In the text (purpose statements, qualification rules, etc), any reference to NQF Levels are to the old levels unless specifically stated otherwise.

This unit standard replaces:

US ID	Unit Standard Title	Old NQF Level	New NQF Level	Credits	Replacement Status
14523	Describe the financial life cycle of an individual	Level 5	New Level Assignment Pend.	10	Complete

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for Intermediaries and Learners in the Financial Services Sector who work in Product Development, Marketing, Product Supplies, Management, Call Centres or who give Financial Advice or Engage in Wealth Management or Financial Planning, including, but not limited to, Banking, Long-Term Insurance, Investment and the Associated Products. It will be useful for learners who give financial advice and who are required to understand individual clients at different stages in their lives and how the client's risk profile and tolerance influence financial advice. It is assumed that the client has an income.

The qualifying learner is capable of:

- Analysing the wants and basic needs of an individual at different stages in his/her life cycle.
- Describing the dynamic nature of income and expenditure typical at different stages of an individual's life.
- Explaining the interrelationship between an individual's basic needs and wants and the implications for a financial plan.
- Interpreting critical events that trigger entry into a new stage in the financial life cycle.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that learners are competent in Communication, Mathematical and Financial Literacy at NQF Level 4.

UNIT STANDARD RANGE

The Unit Standard range assumes an income, but does not preclude individuals without a regular income and includes individuals from diverse backgrounds.

- Events that trigger entry into a new stage in the financial life cycle include, but are not limited to, new position at work, promotion, retrenchment, upgrading qualifications, marriage, divorce, addition to the family, death in a family, age of individual, age and education level of children, purchasing a home.
- Life risk related events include retirement, job change, mortality, morbidity and dread disease.
- The lifecycle should include individuals from diverse backgrounds.
- Values and wants could be influenced by a client's background, operational

environment, culture, education.

- Wants refer to an individual's wants at a specific time or stage. Needs are generalised for the population.
- Lifestyle choices include, but are not limited to, level of credit, physical and material acquisitions.

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Analyse the needs and wants of an individual at different stages in his/her life cycle.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Theories relating to needs and the life cycle of an individual are used to create a model that illustrates the wants and the basic needs of an individual at different stages in his/her life cycle.

ASSESSMENT CRITERION 2

The effect of attitudes and values on an individual's perception of wants and basic needs is explained with examples.

ASSESSMENT CRITERION 3

The attitudes and values of at least three individuals are surveyed and applied to the model and deviations from the model are explained for each individual.

ASSESSMENT CRITERION 4

The influence of an individual's occupation and avocations, and lifestyle on basic needs and wants is explained with examples.

SPECIFIC OUTCOME 2

Describe the dynamic nature of income and expenditure typical at different stages of an individual's life.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The change in attitudes and values of an individual over time are explained with reference to the impact of change on income and expenditure.

ASSESSMENT CRITERION 2

The expenditure for a minimum of three people at different stages in life, but with the same income is compared in terms of acquisition of assets, savings/investments,

preservation of capital and provision for life risk related events.

SPECIFIC OUTCOME 3

Explain the interrelationship between an individual's wants and basic needs and the implications for a financial plan.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Stages of the financial life cycle are illustrated with examples and correlated with the want and basic needs of an individual at each stage.

ASSESSMENT CRITERION 2

Potential financial solutions are suggested for events that can be planned for to ensure the least possible financial disruption.

ASSESSMENT CRITERION 3

Possible lifestyle choices are analysed and the analysis is used to predict the potential impact of each choice on the individual's financial situation.

ASSESSMENT CRITERION 4

The implications of changing wants and needs on a financial plan are explained with examples.

SPECIFIC OUTCOME 4

Interpret critical events that trigger entry into a new stage in the financial life cycle.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Events that can trigger entry into a new stage in the financial life cycle are named and an indication is given of the potential financial impact of each event on the financial plan.

ASSESSMENT CRITERION 2

Changes in the external environment that can impact on an individual's financial plan are identified with reference to the political, legislative, social, economic and physical environments.

ASSESSMENT CRITERION 3

Possible solutions to manage changes in an individual's wants and basic needs from one stage in the financial life cycle to another are proposed for different scenarios.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

- Anyone assessing a candidate against this Unit Standard must be registered as an assessor with the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.
- Any institution offering learning that will enable achievement of this Unit Standard must be accredited as a provider through the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.
- Moderation of assessment will be overseen by the relevant ETQA according to the moderation guidelines and the agreed ETQA procedures.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

N/A

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):**UNIT STANDARD CCFO IDENTIFYING**

The learner is able to identify and solve problems in which responses show that responsible decisions using critical and creative thinking have been made suggesting ways to manage change from one stage in the financial life cycle to another.

UNIT STANDARD CCFO COLLECTING

The learner is able to collect, organise and critically evaluate information in order to create a model that illustrates the relationship between needs and the financial life cycle.

UNIT STANDARD CCFO COMMUNICATING

The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and/or written presentations in explaining his/her model.

UNIT STANDARD CCFO DEMONSTRATING

The learner is able to demonstrate an understanding of the world as a set of related systems in explaining the interrelationship between stages in life and the financial life cycle.

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