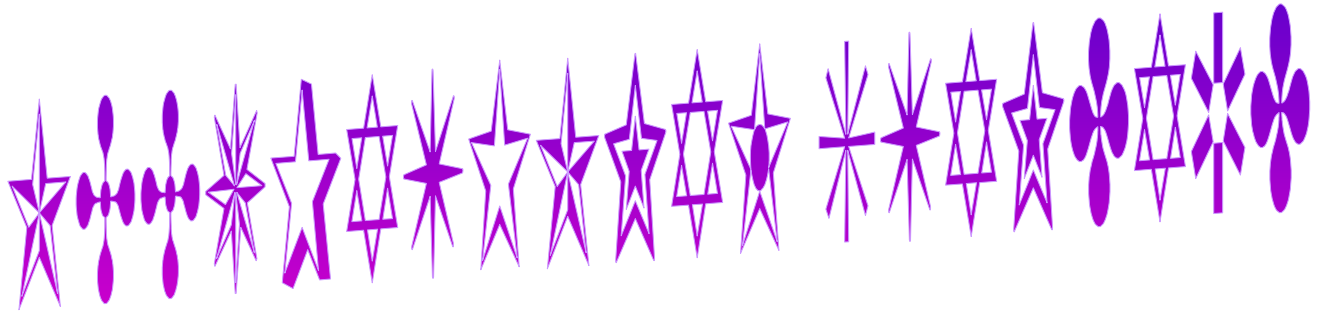
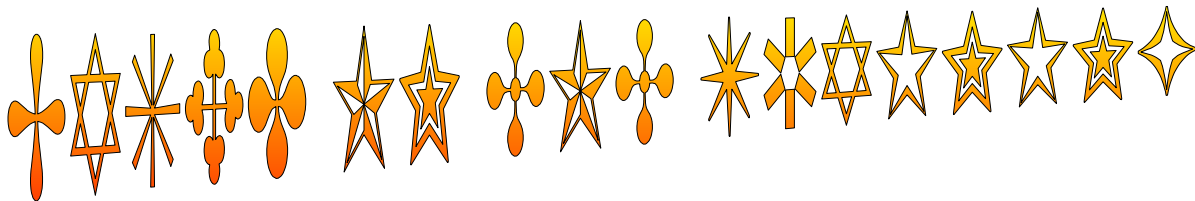




BASIC ACCOUNTING WORK

LEVEL TWO



UNIT OF COMPTANCY

1. Work effective in the financial service sector

2. Work effective with others
3. Use business technology
4. Process customer account
5. Process customer transaction
6. Develop understanding of Ethiopian financial system & market
7. Develop understanding of taxation
8. Develop & use personal budget
9. Develop & use a saving plan
10. Develop understanding of debt & consumer credit
11. Participate in work place communication
12. Work in team environment
13. Develop business plan

UNIT ONE

WORK EFFECTIVE IN THE FINANCIAL SERVICE SECTOR

ELEMENT

1. Work with in financial service industry, guidelines ,procedure & legislation
2. Communicate in the work place
3. Work safety
4. Use work place technology
5. Work in team environment
6. Develop effective work habit

1. Work with in financial service industry ,guidelines, procedure & legislation
 - ❖ Guidelines. Procedures. Legislation and codes of practice applying to the financial industry are identified and the effects on everyday work determined

✚ **Guide line** is a statement by which to determine a course of action or it is a rule or instruction that shows or tell how something should be done

✓ Guidelines procedures legislation and codes of practice may include

- Anti-discrimination legislation
- Electronic funds transfer (EFT) code of conduct
- Relevant environmental legislation
- Finance code
- Financial services Reform Act (FSRA)
- Financial transaction Reports Act
- Industry codes of practice
- Legislation covering competition. Prudential regulation
- Anti-Money laundering and counter terrorism financing acts.

❖ Workplace procedures and instructions for environmentally sustainable work practices are recognized and followed and any potential improvements suggested to appropriate personnel

✓ Environmentally sustainable work practices include:

- Improving energy efficiency
- Increasing use of resources that are
 - Renewable
 - Recyclable
 - Reusable
 - Recoverable
- Recognizing opportunities to reduce emissions of greenhouse gases
- Reducing use of non-renewable resources.
 - ✓ Appropriate personnel may include:
 - Colleagues
 - human resources staff
 - Managers or supervisors
 - Mentors
 - ❖ Work tasks are carried out in accordance with specific organization policy. Guidelines and procedures.
 - Best practice guidelines
 - Organization and customer charters
 - Organization codes of practice
 - ❖ Complaint and grievance procedures
 - ❖ Customer services statements
 - ❖ Induction program

- ❖ Industry policy documents
- ❖ Industry procedures manuals
- ❖ Operating manuals

- ❖ Work tasks undertaken meet the organization philosophy values and objectives in relation to customer service

Professional practice and ethical principles

- ✓ Organization philosophy values and objectives may include:

- Best practice guidelines
- Organization and customer charters
- Guidance from supervisor
- Vision and mission statements

- ❖ Assistance in clarifying the application of the guidelines procedures and legislation is sought from appropriate personnel where necessary:

2. Communicate in the workplace

- ❖ Effective listening and speaking skills are used in verbal communication

- ✓ Verbal communication may include

- Answering enquiries from clients
- Answering telephone calls
- Informal discussions
- Requests from colleagues
- Use of voice mail.

❖ Instructions or enquiries are responded to promptly and in accordance with organizational requirements

❖ Presentation of written information meets organizational standards of style format and accuracy

✓ Standards may include:

- Ethical behavior expectations
- Legislation
- Organizational policies and procedures
- Specified work standards
- Standards set by work group.

❖ Communication is used to develop and maintain positive relationships mutual trust and confidence

3. Work safely

❖ Established safety procedures are followed when conducting work

✓ Safety procedures may include

- Completing required documentation
- Displaying health and safety brochures magazines and other material
- Following OHS guidelines relevant to workplace
- Keeping workplace clean and tidy
- City administration Regional and federal state legislation
- Office practice manual
- Undergoing operator training when using new equipment or processes.

❖ Designated persons are identified for reporting queries and concerns about safety in the workplace

✓ Designated persons may include

- Designated health and safety officers
- Managers
- Other persons authorized or nominated by the enterprise or industry
- Supervisors
- Team leaders

❖ Actions are taken to eliminate workplace hazards or to reduce risk

Risk is:-The chance of something occurring in the workplace or when carrying out job role activates that could result in injury or damage to self or others

❖ Organizational procedures are followed for responding to emergency incidents.

4. Use workplace technology

❖ Relevant information management systems and databases are accessed and used according to organizational procedures.

- Proprietary or organizational software is used to effectively to develop workplace documents , input and extract data and make calculation

✓ Proprietary or organizational software may include

- Client contact systems
- Custom designed financial software

- Databases
- Spreadsheets
- Word processors

5. Work in a team environment

- ❖ Support to team members is provide to ensure work group goals are met

✓ Support to team members may include:

- Explaining and clarifying
 - Helping colleagues
 - Problem solving
 - Providing encouragement
 - Providing feedback to a team member
 - Undertaking extra tasks if necessary
 - ❖ Constructive contribution is made to work group goals and tasks
 - ❖ Information relevant to work with work group is shared to ensure designated goals are met
 - ❖ Opportunities for improvement of work group activity are shared with work group members
- #### 6. Develop effective work habits
- ❖ Work and personal priorities are identified and planned to achieve a balance between any competing priorities
 - ❖ Time management strategies are applied to work duties
 - ❖ Appropriate dress and behavior codes as required by the workplace job role or customer contact are followed

Unit Two

Work effectively with other

Element

1. Develop effective workplace relationships
2. Contribute to workgroup activities
3. Deal effectively with issues problems and conflict

1. Develop effective workplace relationships

- ❖ Identify own responsibilities and duties in relation to workgroup members and undertake activities in a manner that promotes cooperation and good relationships.

- ✓ Responsibilities and duties may include

- Code of conduct
- Job description and employment arrangements
- Organization's policy relevant to work role
- Skills training and competencies
- Supervision and accountability requirements including OHS
- Team structures

- ✓ Work group member may includes:-

- Coach or mentor
- Other members of organization
- Peers , work colleagues , team & enterprise
- Supervisor or manager

- ❖ Take time and resource constraints into account in fulfilling work requirements of self and others

❖ Encourage , acknowledge & act up on constrictive feedback provide by other in the work group

✓ Feedback may includes:-

- Formal or informal performance appraisals
- Obtain feedback from client
- Obtain feedback from supervisor or manager
- Personal ,reflective behavior strategies
- Routine organizational method for monitoring service delivery

2. Contribute to work group activity

❖ Provide support to team member to insure work group goal are met

✓ Support to team member may includes

- Explaining & clarifying
- Help colleagues
- Problem solving
- Provide encouragement
- Provide feedback to team member
- Under taken extra tasks

❖ Contribute contractively to work group goals & tasks according to organizational requirement

❖ Share information relevant to work with work group to insure designated goals are met

✓ Information may includes :-

- Acknowledging satisfactory performance
- Acknowledging un satisfactory performance
- Assisting a colleagues

- Clarifying the organization preferred task completion method
- Encouraging colleagues
- Open communication channels
- Work place hazard ,risk & controls
 - ❖ Identify & plan strategies or opportunity or improvement of work group in liaison with work group
 - ✓ Strategies or opportunities for improvement may includes:-
 - Career planning & development
 - Coaching , mentoring & supervisor
 - Formal or informal learning program
 - Internal or external training provision
 - Performance appraisals
 - Personal study

3. Deal effective with issues problem & conflict

- ❖ Respect deference in personal values , beliefs & their importance in the development of relationships
- ❖ Identify linguistic & cultured difference in communication styles & respond appropriately
- ❖ Identify issue , problem & conflict encountered in the work place
- ❖ Seek assistance from work group member when issue problems , conflict arise & suggest possible way of dealing with them as appropriate or refer them to the appropriate person

UNIT THREE

USE BUSINESS TECHNOLOGY

Element

1. Select & use technology
2. Process & organize data
3. Maintain technology

1. Select & use technology

❖ Select appropriate technology & software applications to achieve the requirement of the task

✓ Technology may include :-

- Computer technology , such as laptop & personal computer
- Printer
- Scanners
- Photocopier

✓ Software application may include :-

- Email , internet

- Word processing , spreadsheet , data base ,accounting or presentation packages
 - ❖ Adjust work space , furniture & equipment to suit user ergonomic requirements
 - ❖ Use technology according to organizational requirement & in a way which promote a safe work environment
- ✓ Organizational requirement may includes:-
 - Correctly identifying & opening files
 - Legal & organization policy ,gridline & requirement
 - Locating data
 - Log -on procedures
 - Manufacturing guidelines
 - OHS policies, procedure & program
 - Saving & closing file
 - Storing data

2. Process & organize data

- ❖ Identify , open generate or amend file &record according to task & organizational requirement
- ❖ Operate input device according to organization requirement

✓ Input device may includes :-

- Key boar
- Mouse
- Numerical key pad

❖ Store data appropriately & exist application without damage to or loss of data

✓ Store data may includes:-

- Appropriate storage / filling of hard copies of computer generating document
- Storage in directories & sub directories
- Storage on CD -ROM , hard floppy disk drives or back-up systems

❖ Use manuals. Training booklets and/or online help or helpdesks to overcome basic difficulties with applications

3. Maintain technology

❖ Identify and replace used technology consumables in accordance with manufacturer's instructions and organizational requirements

✓ Technology may include

- Computer technology. Such as laptops and personal computers
- Printers
- Scanners
- Photocopiers

❖ Carry out and /or arrange routine maintenance to ensure equipment is maintained in accordance with manufacturer's instructions and organizational requirements

❖ Identify equipment faults accurately and take action in accordance with manufacturer's

instructions or report fault to designated person

✓ Identifying equipment faults

- Checking repairs have been carried out
- Encouraging feedback from work colleagues
- Keeping a maintenance program
- Regular back-ups of data
- Regular OHS inspections
- Routine checking of equipment

UNIT FOUR

Process customer Accounts

Element

1. Identify customer account needs
2. Open customer account
3. Transfer or close customer account
4. Administer the process

1. Identify customer account needs

❖ Requests for information on the range, options and features of account services available are addressed in a timely accurate and comprehensive manner or referred if necessary to other authorized personnel

✓ Authorized Personnel may include:

- Dispute resolution officer
- Employees

- Supervisors and managers
 - ❖ Information is provided to customers to assist in the selection of an appropriate product which outlines product features matches products to customer needs describes the cost to operation and the conditions of the accounts
 - ✓ Information is provided to customers may include descriptions of
- Accounts geared to the needs of particular groups such as
 - Customer deeming accounts
 - Youth accounts
- Investment accounts
- Retirement accounts
- Savings accounts
 - ❖ Customers are assisted when completing relevant documentation for selected services and products

2. Open customer account

- ❖ Potential account holders are interviewed to gather information required for the opening of accounts with applicant identified for security purposes according to organizational procedures
- ✓ Information required for operating accounts may include
 - Amount of initial deposit
 - Other signatories to the accounts
 - Primary account holder's
 - Name
 - Address
 - Contact details
 - Purpose for which the account will be used
 - Required links to other accounts held.
 - ✓ Organizational procedures for customer identification may include

- Conducting the 100 point check of personal identification
- Identifying and matching customer with existing accounts held within own financial institution.
 - ❖ Information provided is assessed for accuracy and sufficiency according to the standard organization procedures
 - ✓ The accuracy and sufficiency of information provided includes ensuring
- Authenticity of signatures
- Checks against or links to existing customer account information
- Completeness of documentation
- Provision of sufficient documentary evidence (points) to meet the requirements for establishing a new account
 - ❖ Completed documentation is verified for accuracy and deposits are accepted ensuring that receipts and certificates are issued
 - ❖ New applications and transactions are processed in accordance with organization's policies and procedures to ensure the timely and accurate completion of the task
 - ✓ Transaction processing may be
- Manual or electronic and may involve
 - Accurate data entry of transactions into relevant database
 - Accurate completion of customer application forms and transaction receipts
 - ❖ Information is provided to accurate about the processes for activating the receiving transaction cards or deposit books and the most cost effective way to use the account
 - ✓ Customer account details may include
- Electronic fund transfer disputes
- Electronic bill and other payments

- Fees charged

4. Transfer or close customer account

- ❖ The account holder seeking to transfer or close an account is interviewed to gather the required information which is assessed for accuracy and sufficiency according to the standard for accuracy and sufficiency according to the standard organization procedures.

✓ Required information to transfer or close an account may include.

- Account details to enable transfer of remaining funds
- Details of possible complaints relating to the account
- Reasons for transfer or closure of accounts

- ❖ Completed documentation is verified for accuracy and applications for transfer or closure are processed in ensure the timely and accurate completion of the task.

- ❖ Information about the finalization of the process is provided in accordance with organization policies and procedures

5. Administer the process

- ❖ Standard organization processes and protocols are used to verify customer identity when collecting processed documentations and cards from a branch
- ❖ Customer queries or complaints about the operation of the service are followed up with appropriate personnel according to standard procedures
- ❖ Reports are provided on account activity in the line with standard policies and procedures with any exception reports responded to

- ❖ Reports are provided on account activity in line with standard policies and procedures with any exception reports responded to

UNIT FIVE

Process Customer Transactions

Element

1. Provide customer service
 2. Process basic financial transactions
 3. Administer the transaction process
1. Provide customer service
 - ❖ Customer is greeted and served with respect and professionalism in accordance with the company service standards and expectations
 - ❖ Customer is provide with information as required in a timely accurate and effective manner with any queries about transactions answered fully and clearly to ensure customer
 - ✓ Information may be related to
 - Account services including
 - Savings
 - Retirement
 - Superannuation
 - Superannuation
 - Investment services

- Processes for completing transactions including
 - Cash or non- cash transactions
 - Cheques
 - debit/credit cards
- the interests of customer include knowledge of the changing circumstances of the customer and how these contexts influence customer needs in relation to financial retirement investment and other services
 - ❖ Transactions outside the knowledge or delegated authority of the officer are referred to other personnel for resolution

2. Process basic financial transactions

- ❖ Customer transactions are processed in an accurate and timely manner using standard policies procedures and systems
- ✓ Customer transaction may includes :-
 - Using manual or electronic systems
 - Using the standard procedure & systems of the financial service institution such as :-
 - Bank cheques
 - Credit card transaction
 - Debit includes:-
 - Saving account
 - Cheque account
 - Inward credits / outward payment
 - Payroll deduction
 - Periodic payment
 - ✓ Policies, procedure & systems may includes;-
 - Administrative & clerical systems
 - Database , it system product account & service range
 - Range of responsibility
 - Size , types & location of branch
 - Types of equipment used

- ❖ Documentation or system entry to support transaction is checked for accuracy ,completeness , customer account , transaction details maintained verify using correct procedures
- ❖ customer complaints & dispute are resolved or referred to other authorized person & customer account are rectified where necessary
- ❖ accurate reconciliation of subsidiary ledger account is performed & fees appropriate to the transaction are levied in accordance with standards procedure

3. administer the transaction process

- ❖ Error records & exception reports are analyzed responded to according to standard procedure & within require time frames
- ❖ Activity reports monitoring the nature & level of transaction activity are provided & data base records or customer files up dated according to standards procedures & with in required time frames
- ❖ Customer records are stored safely , securely & in accordance with standards process & Recognized the requirement to protect customer privacy commercial confidentiality

UNIT SIX

DEVELOP UNDERSTANDING OF THE ETHIOPIAN FINANCIAL SYSTEM & MARKETS

ELEMENT

1. Describe what is meant by the Ethiopian financial market
2. Explain the function & role of the national bank of Ethiopia
3. Explain Ethiopian monetary system
4. Explain the key factors that influence the Ethiopian economy
5. Describe the role of regulators

1. Describe what is meant by the Ethiopian financial markets

❖ Specific financial markets in Ethiopia are identified

✓ Financial market may include:-

- Bond market
- Derivative markets
- Foreign exchange market
- Money market includes the short term money market
- Options future markets

❖ The purpose of financial market & when they emerged in Ethiopia is researched

✓ The purpose of financial market may include:-

- Enabling participants to invest surplus funds by buying security
- Enable participants to raise required funds by issuing security

❖ The participants in the financial markets & the role of bank & financial institution as financial intermediaries are identified

✓ Participants in the financial market may include:-

- Bank & non banking financial institutions
- Investors
- Corporation
- Individual
- Local & international government
- Speculators
- Corporation
- Individual

2. Explain the function & role of the national bank of Ethiopian

❖ The role of the national bank of Ethiopian as Ethiopian central bank is researched & discussed to contrasted with other banking institution

✓ The role of national bank of Ethiopian may includes:-

- Regulating banks& other financial institution
- Maintain financial stability & regulating the Ethiopian payments system
- Managing governmental debit
- Regulating governmental debit
- Regulating the payment system
- Setting & implementing monetary policies

❖ The importance & effect of national bank of Ethiopia monetary policies on the Ethiopian economy & every day consumer is researched

✓ The effect of the national bank of Ethiopian monetary policies may includes:-

- Changes in interest rates
- Flow on changes to employment ,price & production levels
- Increase or decrease in the surplus of money in the Ethiopian economy
- Acting to avoid or minimize systemic collapse of financial institution

- The role of the national bank of Ethiopia in regulating Ethiopian payment system such as :-

- o Fulfilling its regulatory responsibilities by controlling risk & promoting efficiencies
- o Participating in the financial system as banker to the national payment system of government
- o Providing facilities for final settlement of transaction

3. Explain Ethiopian monetary system

❖ The various function of money are explain & society motivation for holding money are outlined

✓ Function of money may includes:-

- As a means of exchange for acquiring goods & service
- indication of relative value between goods & service
- Measure of liquidity

✓ Motivations for holding money may includes :-

- Precautionary demand for money to pay future expenses which may not be anticipated
- Speculative demand for money to be able to take advantage of future price changes in favor of the purchaser
- Transaction demand for money to pay every day predictable expenses

❖ The monetary cycle within the economy & on global scale & instrument traded on the short term money market are describe

✓ Instrument traded on the short term money market includes:-

- Bills of exchange
- Commercial bills
- Government bill
- Promissory notes
- Treasury bill

❖ The impact of increase & decrease in the money supply & the importance of regulating the money supply of any country is analyzed

4. Explain the key factors that influence the Ethiopian economy

❖ The role & impact of global market situation , federal & regional state government action of the economy is explored with reference to current events

❖ The impact of change in domestic interest rate on different sector of the economy is analyzed

❖ The impact of changes in consumer activity on the Ethiopian economy is analyzed

✓ Consumer activity may includes:-

- Application for home loans

- Purchase of private health insurance
- purchase of university education
- purchase or building of residential accommodation
- retail spending
- tourism with in Ethiopian by Ethiopian

5. Describe the role of regulators

- ❖ The main regulator of the financial system is identified
- ❖ The role of each regulator in protecting investors , consumer & promoting confidence in the financial system is explain
- ✓ Main regulator in the financial system may includes:-
 - Financial intelligence center

UNIT SEVEN

DEVELOP UNDERSTANDING OF TAXATION

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Element

1. Identify & discuss the role of taxation in the Ethiopian economy
 2. Identify & discuss direct tax
 3. Identify & discuss in direct tax
 4. Identify & discuss indirect tax
 5. Manage tax liability
1. Identify & discuss the role of taxation in the Ethiopian economy
 - ❖ The purpose of taxation in the Ethiopian economy at the local. Regional and federal

level how this compares with other countries is explored and discussed

✓ The purpose of taxation includes but is not limited to:

- Financing government activity
- Maintaining equity in the national economy
- Promoting efficiency where markets fail to control pollution or health dangers
- Social infrastructure
- Social services

❖ The various ways that tax is collected and from who is analyzed and discussed

✓ Ways that tax is collected include

- Through regional and federal level taxes including
 - Direct tax
 - o Tax on income from employment/personal income tax
 - o Business profit tax
 - o Tax on income from rental of Buildings
 - o Tax on interest income on deposits
 - o Dividend income tax
 - o Tax on income from royalties
 - o Tax on income from games of chance
 - o Tax on gain of transfer of certain investment property
 - o Tax on income from rental of property
 - o Rendering of technical services outside Ethiopia
 - o Agricultural income tax
 - o Land use tax
 - Indirect tax
 - o Turnover tax
 - o Excise tax
 - o Value added tax

- o Customs duty

- Stamp duty tax instruments shall be chargeable with stamp duty include

- o Memorandum and articles of association of any business

- o Organization cooperative or any other form of association

- o Award bonds warehouse bond

- o Contract and agreements and memoranda

- o Security deeds

- o Collective agreement

- o Lease including sub lease and transfer of similar rights

- o Notaries acts

- o Power of attorney

- o Documents of title to property

- ❖ The role of the Ethiopian revenues and customs authority (ERCA) is identified and discussed

- ✓ The Ethiopian revenues and customs authority (ERCA) roles include

The authority shall have the roles to

- Establish and implement modern revenue assessment and collection system
- Provide based on rules of transparency and accountability efficient equitable and quality service within the sector properly force incentives of tax exemptions given to investors and ensure that such incentives are used for the intended purposes
- Implement awareness creation programs to promote a culture of voluntary compliance of taxpayers in the discharge of their tax obligations
- Carry out valuation of goods for the purpose of tax assessment and determine and collect the taxes

- Conduct study and research activities with greater emphasis to improve the enforcement of customs and tax laws regulations and directives and the collection of other revenues and based on the result of the study and research initiate laws and policies and implement the same up an approval.
- Collect and analyze information necessary for the control of import and export goods and the assessment and determination of taxes compile statistical data on criminal information to others as may be necessary

❖ What taxation revenue is used for is explained and related to the wellbeing and lifestyle of Ethiopian citizens

✓ Taxation revenue may be used to provide

- Assistance to business and farming
- Cultural and artistic resources and support
- Defiance and border protection
- Education
- Environmental protection
- Essential infrastructure such as:
 - Roads
 - Transport systems
 - Public building
 - Sport and recreation amenities
 - Public housing
- Foreign representation and trade promotion for Ethiopia
- Health care
- Justice systems
- Public safety
- Scientific and other research
- Welfare income and community support systems

2. Identify and discuss direct tax

❖ Key terminology used indirect taxation is identified and discussed

✓ Terminology used in taxation may include

- Interest on deposits
- Allowances
- Assessable income
- Capital gain/appreciation
- Deductions
- Exempt threshold
- Assessment of tax
- Dividends
- Gross income
- Higher education contribution scheme
- Taxable income
- Tax evasion
- Withholding tax

❖ Tax declaration form , tax file number requirement & rate of direct tax are identify

✓ Rate of taxation & calculator can be access from

- Ethiopian revenue & customs authority publication & website
- Accountants & tax agent

❖ How direct tax is assessed , tax returns completed & paid is considered

✓ Tax return can be completed by :-

- Accountant
- An individual
- Tax agent
- On-line or in written form

❖ Source of ongoing information about direct tax in Ethiopia are identify

✓ Source of ongoing information may includes :-

- Accountant & other financial service professionals
- Ethiopia revenue & customs authority
- industry association & professional organization
- Federal & regional governments agencies

- Tax payers

3. Identify & discuss indirect tax

- ❖ Key terminology used in tax taxation is identify
- ❖ The structures of business & how this effect taxation is discussed

✓ The structures of business includes :-

- Sole trader : an individual trading on their own
 - Partnership : an association of people or entities carrying on a business together but not as company
- Trust : an entity that holds property or income for the benefit of other
- Company : a legal entity separate from its share holder
 - ❖ How indirect tax is assessed & paid is considered

✓ Tax is assessed through :-

- Business activity statement
- Payroll
- Allowable deduction
- Capital gains
- Financial statement such as :-
 - o Write offs
 - o Revaluation
 - o Profit & loss
 - o Superannuation payment
 - o fringe benefits assessment
 - ❖ source of ongoing information about in direct tax in Ethiopia are identify

4. identify & discuss stamp duty tax

- ❖ key terminology used in indirect taxation is identify
- ❖ how stamp duty tax is assessed & paid is considered
- ❖ source of ongoing information about stamp duty tax in Ethiopia are identify

5. manage tax liability

- ❖ how tax payers can determine their tax liability is identify
- ✓ tax payers can determine their tax liability by :-
 - assessing income :
 - capital gain
 - employment
 - foreign
 - investment
 - rental property income
 - assessing deduction
 - allowable medical expense & health insurance rebates
 - capital losses
 - dependant rebates
 - gift & donation
 - rental property expense tax offsets
 - work related clothing expense
 - work related education expense
 - work related travel expense
 - zone & overseas force allowances
 - loading returns & paying government s
 - land tax where applicable
 - payroll tax (rate varies by jurisdiction & depends on size of payroll so money small business operator rare exempted)
 - stamp duty on :

- hire purchase agreements
- insurance policies
- leases & mortgages
- motor vehicle purchase
- property transfer
- ❖ under or over payment of a tax & its application is analyzed
- ✓ under or over payment of tax may involves :-
- claiming interest on early payment that may be possible for certain tax categories such as :
 - income tax
 - high induction contribution scheme
 - amended assessment of earlier year
 - paying interest on overdue amount

UNIT EIGHT

DEVELOP & USE PERSONAL BUDGET

Element

1. analyze & discuss budgeting as a financial tool
 2. develop a personal budget
 3. implement & monitor the personal budget
1. analyze & discuss budgeting as a financial tool
 - ❖ the role of budgeting in the lives of different group & the importance of budgeting appropriately to meet

expense is analyzed & relating to
different stages of life

✓ different group may includes:-

- families
- government

- individual:

- single
- married
- elderly
- student
- tourists ,travelers

✓ different stages of life may includes:-

- approaching & during retirement
- buying your first home
- moving out of home
- starting a family
- studying

❖ the importance of setting financial goals
is analyzed

✓ financial goal may includes:-

- accumulating asset amount of money by specified date
in the future for the purpose of
 - purchasing asset
 - financing holiday , educational expense ,
home renovation & other known future
expense

➤ establishing a deposit for an investment such as:- home or investment property

- aiming to repay existing debt & be debt free
- establishing regular saving plane
- handling income & expenditure responsibly & avoiding financial difficulties

❖ obstacle that might prevent financial goal being achieving are analyzed & types of behavior & skill required for success full budgeting explored

✓ obstacle that might prevent financial goal being achieved may includes:-

- being un employed particularly long term unemployed
- insufficient income to afford items that beyond the individual means
- un expected circumstance such as :-
 - losing a job
 - falling ill
 - not being able to work

✓ behavior & skill requirement for successful budgeting may includes

- controlled spending
- disciplined approach to money
- organizational skill
- record keeping skill

2. develop personal budget

- ❖ all income & expense for a six month period are recorded to assist in estimated expenditure requirement
- ❖ a spreadsheet for recording all budget information is obtained or developed to establish record income & expenditure for relevant period
- ✓ a spreadsheet may includes:-
 - a calculation

