



NZQA Assessment Support Material

Unit standard		28097			
Title	Analyse and select banking products and services in relation to personal finances				
Level	2	Credits	3	Version	2

Note

The following guidelines are supplied to enable assessors to carry out valid and consistent assessment using this internal assessment resource.

Assessors must manage authenticity for any assessment from a public source, because students may have access to the assessment schedule or student exemplar material. Use of this assessment resource without modification may mean that students' work is not authentic. The assessor will need to change figures, measurements or data sources or set a different context or topic.

While this ASM lends itself to written assessments, there are other activities and approaches that could be taken.

See Generic Resources and Guidelines at <https://www.nzqa.govt.nz/providers-partners/assessment-and-moderation-of-standards/assessment-of-standards/generic-resources/>

Assessor guidelines

Assessors need to be very familiar with the outcome being assessed by the unit standard. The evidence requirements and the explanatory notes contain information, definitions, and requirements that are crucial when interpreting the standard and assessing learners against it.

If assessment is based on the candidate's real situation, every care must be taken to protect privacy, and the provisions of the Privacy Act 1993 will apply.

Over the weeks prior to this assessment, learners should have had sufficient learning opportunities to be familiar with the following:

- Banking products and services (transactional accounts, savings accounts, loans, mortgages, overdrafts, term investments, debit cards, credit cards, bill payments, transfers, insurance, and specialised advice)
- Costs and benefits, fees and charges, access and security of banking products and services.
- Suitability of products to a personal financial situation.

AWARD OF GRADES



- For award with **Achieved**, learners must describe six types of banking products and/or services in relation to costs and benefits, fees and charges, access mechanisms and security; select products and/or services that are fit for purpose for a personal financial situation in the scenario.
- For award with **Merit**, learners must provide an analysis that links the selected products and/or services to the personal financial situation in the scenario.
- For award with **Excellence**, learners must provide an analysis that justifies the selection of the preferred banking products and/or services in terms of their suitability to the personal financial situation of the people in the scenario.

CONDITIONS OF ASSESSMENT



This assessment is an **open book** activity that will take place over a timeframe set by the assessor. Learners can use any information to help them complete the tasks. Answers must be in their own words.

Assessment activity

This assessment activity has one task with two questions, one that is scenario based. However, learners could be encouraged to use their own, family, or friend's circumstances where practicable.

The task involves:

- Describing six (6) different types of banking products and/or services in relation to costs and benefits, fees and charges, access mechanisms and security.
- Selection, analysis and justification of products and/or services that are fit for a given personal financial situation.

Resources

Resources that may help with this are:

- Registered Bank websites (as identified by the Reserve Bank of New Zealand – <http://www.rbnz.govt.nz/regulation-and-supervision/banks/register>);
- Bankers Association of New Zealand, <http://www.nzba.org.nz>;
- Commission for Financial Capability, <http://www.cffc.org.nz/>;
- The New Zealand Network for Financial Literacy, <http://www.financialliteracy.org.nz/>;
- Sorted Your independent money guide, <https://www.sorted.org.nz/>;
- Bamzonia Personal Financial Education, <http://www.bamzonia.co.nz>.

Assessment Schedule

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Task	Evidence/Judgements for achievement	Evidence/Judgements for achievement with merit	Evidence/Judgements for achievement with excellence
Outcome 1 ER 1.1	Learner completes tables to describe six different types of banking products and/or services.	Learner completes tables to describe six different types of banking products and/or services	Learner completes tables to describe six different types of banking products and/or services.
	<p><i>Some appropriate banking products and/or services options are:</i></p> <ul style="list-style-type: none"> - <i>Transaction account (for everyday activities)</i> - <i>Savings account (for short term savings from their NZ incomes)</i> - <i>Term deposit account (for longer term savings to hold the funds from the sale of their UK house, until they need a mortgage)</i> - <i>Mortgage (when they decide on the house they are going to buy)</i> - <i>Debit cards with ATM facility (for access to cash and for small everyday purchases)</i> - <i>Credit card (for larger payments and for managing their cash flow)</i> - <i>KiwiSaver (for retirement savings, deducted from their incomes)</i> - <i>Home and/or Contents insurance.</i> 		
	Each type of banking product and/or service is described in relation to costs and benefits, fees and charges, access mechanisms and security.	Each type of banking products and/or service is described in relation to costs and benefits, fees and charges, access mechanisms and security.	Each type of banking products and/or service is described in relation to costs and benefits, fees and charges, access mechanisms and security.

Task	Evidence/Judgements for achievement	Evidence/Judgements for achievement with merit	Evidence/Judgements for achievement with excellence
	<p>Answers must be consistent with the information provided in supporting documentation. Information used must be from current and reputable/authoritative sources.</p> <p>See sample answers for one banking product/service only.</p>	<p>Answers must be consistent with the information provided in supporting documentation. Information used must be from current and reputable/authoritative sources.</p> <p>See sample answers for one banking product/service only.</p>	<p>Answers must be consistent with the information provided in supporting documentation. Information used must be from current and reputable/authoritative sources.</p> <p>See sample answers for one banking product/service only.</p>
ER 1.2	<p>Learner selects the products and/or services that are fit for purpose for the personal financial situation of the people in the scenario</p> <p>See sample answers for one banking product/service only</p>	<p>Learner selects the products and/or services that are fit for purpose, and their analysis makes links to the personal financial situation of the people in the scenario</p> <p>See sample answers for one banking product/service only</p>	<p>Learner selects the products and/or services that are fit for purpose, and their analysis makes links to and justifies the suitability of the selection to the personal financial situation of the people in the scenario</p> <p>See sample answers for one banking product/service only</p>

Note: As products and features of products change over time, sample answers are not required to be provided within the schedule for all six banking products and services. It is however recommended that sample answers are developed for at least one or two to show the depth of the answers required to award Achieved, Merit and Excellence)

However sufficient hard copy information sources (such as prospectuses, online documentation etc.) **must be provided by the learner to support their answers**. Note the assessor (and the moderator) will need this information to confirm how they met the requirements of the unit standard.

Final grades will be decided using professional judgement based on a holistic examination of the evidence provided against the criteria in the unit standard.



Tasks

- 1 Use the following tables to describe six (6) types of banking products/services in relation to costs and benefits, fees and charges, access mechanisms and security.

Banking products and/or services include:

- transactional accounts
- savings accounts
- loans
- mortgages
- overdrafts
- term investments
- debit cards
- credit cards
- bill payments
- transfers
- insurance
- specialised advice

Access mechanisms refer to:

- EFTPOS
- e-banking
- telephone banking
- mobile banking
- branch staff
- ATM
- cheques

Security refers to:

- passwords
- personal identification numbers
- protocols



Product/ Service#1	name product/service here [Credit Card]
Costs	Interest on unpaid balance = 15% Cash advance interest rate = 19.5%
Benefits	Makes payment easy and efficient Cash back rewards on spending = \$1 for every \$100 spent Fee saving option of 100% rebate if total annual spend is more than \$10,000 Overseas travel insurance (if Platinum/Gold credit card) Up to 55 days interest free (if monthly balance is paid in full by due date)
Fees and Charges	\$40 annual account fee \$0 joint or additional card fee Card fees charged annually Cash advance fee \$2 Balance owing transfer rate from a NZ issued credit card = 1.5% for a year.
Access Mechanisms	Phone, online, mobile app, ATM services, Branches in 100 locations open Mon-Fridays 8:30 am 5:30 pm
Security	3-digit code on back of card Chip protection Paywave/pay pass if card lost or stolen could be an issue Identity verification for online shopping (Sample answers related to awarding Achieved)

2 Read the following scenario:



Scenario

The Davies family migrates to New Zealand

Don, his wife, Yvonne, and their three children Callum (14), Isabelle (12) and Angus (9) are emigrating from the United Kingdom to New Zealand. Both parents are coming to jobs in New Zealand.

Don and Yvonne are careful with their money and are keen to make sure they get products and/or services from the bank with features which suit them. They dislike debt and pay off debt as fast as possible. However, they make most of their purchases using their credit cards, rather than by cash.

In the UK, they owned their own home, which they have now sold. They intend to buy their own home in New Zealand within the next year and are looking to spend \$500,000. They will need to borrow \$150,000.

The family want to see as much of New Zealand as possible before travelling around the Pacific. They need to set up a full range of banking products and services for their new life here.

Their main banking needs are to:

- Have somewhere to deposit their money from the sale of their house in the UK.
- Set up a loan facility to buy a house.
- Have ready access to funds for day to day activities.
- Join KiwiSaver when they start work.
- Have contents insurance (and once they purchase a house, home insurance).
- Do on-line shopping.

Select at least two products and/or services that are fit for purpose for the Davies family and complete the tables on the following pages. You will need to give reasons for the selection, make links to and justify the suitability of the selections for the family's personal financial situation.

Product or service selected, reasons for selection, links to and justification of suitability to personal financial situation.

This credit card has key features which suit their lifestyle of online shopping and overall the best rewards and fee options for their situation.

(Sample answer related to awarding Achievement)

As they prefer to make many of their purchases using a credit card the cashback rewards system could give them quite a reasonable amount of actual cash back. Their spending patterns will qualify them for the fee saver feature.

This card has an additional security feature for identity verification when shopping online.

(Additional sample answer related to awarding Merit)

As they prefer to make many of their purchases using a credit card the cashback rewards system could give them quite a reasonable amount of actual cash back. Their spending patterns will qualify them for the fee saver feature. Receiving cash rewards and saving fees means they would have more funds available for travel or paying off a mortgage.

This card has an additional security feature for identity verification when shopping online. Given that most of their purchases are done in this way it is important that their account access is protected should their account information fall into the hands of the wrong people.

The fact that the interest rate on unpaid balances is higher is not a concern for the Davies family as they don't like debt and pay off their credit card balance in full at the end of every month to avoid paying any interest charges.

The Davies family like to travel, so the inclusion of overseas travel insurance in the Platinum/Gold credit card option would suit their lifestyle and save them money.

(Additional sample answer related to awarding Excellence)

Note: *As products and features of products change over time, sample answers are not required to be provided within the schedule for all six banking products and services. It is however recommended that sample answers are developed for at least one or two to show the depth of the answers required to award Achieved, Merit and Excellence.*