

# Level 3 Certificate in Financial Studies (CeFS®) - 600 / 8537 / X

## Qualification Specification

## Contents

Section		Page
1.	Declared purpose	3
2.	Accreditation information	5
3.	Aims of the CeFS	6
4.	Learning outcomes for the CeFS	7
5.	Objectives of the CeFS	8
6.	Structure of the CeFS	9
7.	Entry requirements	9
8.	Apprenticeship framework technical certificate	9
9.	Methods of study	9
10.	Learning, teaching and assessment approach	10
11.	Grading	11
12.	Assessment resits	12
13.	Learning resources	12
14.	Unit 1 specification	13
	Unit 1 learning outcomes / assessment criteria	14
	Unit 1 assessment methodology	15
	Unit 1 QCF Level 3 descriptor comparison with CeFS assessment criteria	16
	Unit 1 syllabus	17
15.	Unit 2 specification	20
	Unit 2 learning outcomes / assessment criteria	21
	Unit 2 assessment methodology	23
	Unit 2 QCF Level 3 descriptor comparison with CeFS assessment criteria	24
	Unit 2 syllabus	25

## 1. Declared Purpose

### Why study the Certificate in Financial Studies?

As an Applied General qualification, the Certificate in Financial Studies (CeFS) is a comprehensive introduction to personal finance. It develops the knowledge and skills required for young people to make informed financial decisions by introducing them to the risks and challenges involved in personal finance and to tools for effective planning. Through developing core skills of critical analysis and evaluation, synthesis and written communication, CeFS provides a foundation for further study in business and finance-related disciplines, as well as a wide range of other fields. The skills and knowledge developed in CeFS can be extended by taking two further units to form the Diploma in Financial Studies (QN 600/8551/4). As part of the Diploma in Financial Studies, CeFS therefore provides a valuable qualification in its own right, but also an early exit point for students wishing to gain a foundation for study in financial services without developing or extending this knowledge further to include areas such as financial sustainability and the long-term impact of debt.

#### Key content areas

- importance of financial capability for immediate, short-term, medium-term and long-term financial needs;
- financial services and products, including sources of help and advice;
- borrowing, budgeting, financial planning and cash flow;
- the impact of external influences at different stages in the personal life cycle; and
- risk and reward in managing personal finance;

#### Key skills developed

The qualification will encourage students to:

- analyse financial information, financial services products and services and begin to make judgements about suitability for people in different circumstances;
- understand financial concepts and terminology;
- analyse, synthesise, evaluate and reflect;
- demonstrate numeracy skills including the ability to manipulate financial and other numerical data;
- select appropriate data and information to make arguments;
- structure and communicate ideas logically and coherently; and
- increase their ability to work and learn independently.

#### Preparation for further study

CeFS forms two of the four mandatory units that make up the Diploma in Financial Studies, thus preparing students for study in the final two units of this qualification. As a free-standing qualification it also provides a platform for entry into progression routes within Further or Higher Education study. The financially-related content of this qualification provides a foundation for continued study within finance and business-related disciplines, with many students going on to study subjects such as accounting, business, finance and banking at Higher Education Institutions or through further vocational training. The transferable skills developed are also valuable for further study in unrelated disciplines and the financial capability content and skills support students in making informed decisions about the value of personal, employment and study options and budgeting whilst studying. This qualification carries up to 70 UCAS points and our website provides further detail about Higher Education support.

### Preparation for employment

This qualification develops knowledge and understanding of the financial services sector and enhances skills that are valued within that sector and others, but does not qualify students for direct entry to a particular occupational role. Students will be in a position to make informed choices related to pursuing one of the many roles available within the sector, either immediately, through further study, or whether to apply the financial skills that they have developed to other careers or study options.

## 2. Accreditation information

<b>Qualification title</b>	Level 3 Certificate in Financial Studies (CeFS)
<b>Ofqual qualification number</b>	600 / 8537 / X
<b>Qualification level</b>	3
<b>European Qualifications Framework (EQF) level</b>	4
<b>Regulation start date</b>	1 September 2013
<b>Operational start date</b>	1 September 2013
<b>Offered in</b>	England, Wales and Northern Ireland
<b>Assessment available in English</b>	Yes
<b>Assessment available in Welsh</b>	No
<b>Assessment available in Irish</b>	No
<b>Sector subject area</b>	15.1 Accounting and Finance
<b>Purpose</b>	B. Prepare for further learning or training and / or develop knowledge and / or skills in a subject area
<b>Sub-purpose</b>	B2. Develop knowledge and / or skills in a subject area
<b>Total credits</b>	30
<b>Minimum credits at / above level</b>	30
<b>Guided learning hours</b>	180
<b>Overall grading type</b>	A*–E
<b>Assessment methods</b>	Multiple-choice examination, written examination
<b>Qualification description</b>	The Certificate in Financial Studies consists of two mandatory units. A total credit value of 30 must be obtained for achievement of the qualification.
<b>Age ranges</b>	16–18; 19+

## 2.1 Table 1 QCF Level 3 level descriptors

	DESCRIPTION
<b>SUMMARY</b>	Achievement at Level 3 reflects the ability to identify and use relevant understanding, methods and skills to complete tasks and address problems that, while well defined, have a measure of complexity. It includes taking responsibility for initiating and completing tasks and procedures as well as exercising autonomy and judgement within limited parameters. It also reflects awareness of different perspectives or approaches within an area of study or work.
<b>KNOWLEDGE AND UNDERSTANDING</b>	Use factual, procedural and theoretical understanding to complete tasks and address problems that, while well defined, may be complex and non-routine. Interpret and evaluate relevant information and ideas. Be aware of the nature of the area of study or work. Have awareness of different perspectives or approaches within the area of study or work.
<b>APPLICATION AND ACTION</b>	Address problems that, while well defined, may be complex and non-routine. Identify, select and use appropriate skills, methods and procedures. Use appropriate investigation to inform actions. Review how effective methods and actions have been.
<b>AUTONOMY AND ACCOUNTABILITY</b>	Take responsibility for initiating and completing tasks and procedures, including, where relevant, responsibility for supervising or guiding others. Exercise autonomy and judgement within limited parameters.

## 3. Aims of the CeFS

### 3.1 The aims of the CeFS are to:

- i. provide students with a challenging qualification covering the core disciplines of financial capability;
- ii. enable students to examine issues relating to financial capability;
- iii. enable students to apply specialised, current knowledge of financial capability and finance concepts and theories;
- iv. enable students to make informed and confident decisions regarding their finances;
- v. provide students with the tools and terminology necessary to analyse the financial products that support their financial needs, wants and aspirations;
- vi. encourage students to reflect on and engage in academic debate on issues relevant to financial capability;

- vii. provide students with the opportunity to evaluate the impact of the changing regulatory and operating environment, technical changes, and risk management on issues relating to financial capability;
- viii. support students' understanding of ethics and wider environmental issues as applicable to financial capability;
- ix. enable students to explore the relationship between individuals and financial services products and the range of economic, legal, regulatory and social factors that affect financial capability;
- x. familiarise students with the links between theory and practice;
- xi. enable students to explore recent developments in financial services products;
- xii. help students to become responsible borrowers, sensible savers, and have an appreciation of the need for financial planning throughout their life;
- xiii. enhance students ability to become autonomous and self-directed and enable them to manage their own professional development; and
- xiv. provide opportunities for students to develop the necessary skills and competencies to move on to further study or employment.

## **4. Learning outcomes for the CeFS**

### **4.1 Knowledge and understanding elements of the CeFS will provide students with the ability to critically analyse:**

- i. the environment of financial capability with a focus on the range of financial services products which meet their needs and aspirations;
- ii. how a variety of financial services products and concepts may be applied to their financial footprint;
- iii. the current technical language, tools, methods and practices of financial capability to enable effective financial decision-making;
- iv. contemporary theories and concepts relating to financial capability and their practical application; and
- v. financial capability and its need to respond to the constantly changing economic, legal and regulatory environment.

### **4.2 Subject-specific practical / professional elements of the CeFS will provide students with the skills to:**

- i. use appropriate tools (software and IT eg Excel) and methods to conduct meaningful research from the creation, extraction and analysis of data and information from financial sources;
- ii. analyse financial data and information, products and services and reflect upon their desirability and effectiveness; and
- iii. understand how financial products respond to the drivers and implications of changes in the wider environment and how these changes affect financial decision-making.

#### **4.3 Intellectual skills developed by the CeFS will provide students with the ability to:**

- i. locate, extract and analyse data from different financial sources;
- ii. apply higher-level cognitive skills of reflective practice, including analysis, synthesis and evaluation;
- iii. demonstrate numeracy skills, including the ability to manipulate financial and other numerical data;
- iv. utilise problem-solving and decision-making skills;
- v. critically evaluate data and information; and
- vi. understand the interrelationships between the various knowledge and skill areas and assimilate these coherently to provide effective solutions.

#### **4.4 Transferable skills and personal qualities developed by the CeFS will provide students with the ability to:**

- i. use appropriate data and information from a range of sources;
- ii. critically articulate concepts and arguments with clarity, conciseness and rigour using appropriate data and information;
- iii. learn independently and enhance skills of self-reflection, criticality and self-managed study;
- iv. structure and communicate ideas logically and coherently; and
- v. use appropriate communication and information technology skills.

## **5. Objectives of the CeFS**

### **5.1** On completion of the CeFS qualification, students will be able to:

- i. understand the concept of money in all its forms, and how its value is subject to time and circumstance;
- ii. appreciate the benefits that can be derived from financial services products, and how these can contribute to achieving their personal aspirations;
- iii. develop an awareness of risk and reward, and the obligations associated with different financial solutions;
- iv. understand the scope of the financial services industry and the bodies that regulate it;
- v. explain their understanding of the monetary and financial system;
- vi. appreciate how different external factors impact upon the individual directly and indirectly;
- vii. compare and contrast a range of financial solutions and draw reasoned, informed and sound financial judgements in particular contexts;
- viii. develop key financial capability skills that are relevant to everyday life / situations;
- ix. become a more confident, informed and responsible financial services consumer;
- x. take ownership of the planning of their own personal finances;
- xi. understand how external factors and the financial services industry impact on individuals' personal financial management.



- 5.2** As well as developing knowledge, the CeFS assists in developing the ability to:
- i. analyse and evaluate data and information;
  - ii. develop core personal skills including communication (spelling, punctuation and grammar), numeracy and IT;
  - iii. formulate appropriate responses to resolve defined problems;
  - iv. convey data and information clearly, concisely and accurately;
  - v. structure information, options and recommendations in a clear and logical order;
  - vi. explain and fully justify recommendations in appropriate language;
  - vii. develop skills in examination technique;
  - viii. apply and build on previous learning and experience; and
  - ix. develop critical thinking and critical evaluation and reflexivity.

## **6. Structure of the CeFS**

**6.1** CeFS is made up of **two mandatory units** which need to be successfully completed in order for the student to achieve the certificate:

- i. **Unit 1:** Financial Capability for the Immediate and Short Term (15 credits)
- ii. **Unit 2:** Financial Capability for the Medium and Long Term (15 credits)

## **7. Entry requirements**

**7.1** There are no specified entry requirements. However, individuals need to be satisfied of their ability to study in English at Level 3.

**7.2** CeFS is a Level 3 qualification (other examples of other Level 3 qualifications include A Levels).

## **8. Apprenticeship framework technical certificate**

**8.1** CeFS is also recognised as a Technical Certificate that forms part of the Financial Skills Partnership (FSP) Apprenticeship Framework (Level 3, Providing Financial Services).

## **9. Methods of study**

**9.1** CeFS may be studied full or part time via schools, colleges and other learning institutions (subject to centre approval).

**9.2** It offers a flexible and integrated approach to learning and assessment.

**9.3** Materials and additional information are available by access to **my ifslearning**.

## 10. Learning, teaching and assessment approach

### 10.1 Assessment structure.

All components and units are mandatory and assessed. Both units will be assessed by e-test / written paper made up of the following components:

- (Part A) multiple-choice questions: 35 x 1 mark for each correct answer (total marks: 35 / 100);
- (Part B) a written examination based on a pre-released case study requiring essay responses to 5 questions (total marks: 60 / 100); and spelling, punctuation and grammar to be marked through the essay responses (total mark 5 / 100).

A total of 200 marks are available from both units comprising 100 marks per unit. The pass mark for Part A will be 40% raw marks. The pass mark for Part B will be set for each session to reflect any small variations in question paper difficulty. For ease of comparison between sessions, raw marks are converted to marks on a Uniform Mark Scheme (UMS) and UMS marks are then used to determine the final grade classification. A unit pass requires 40% of UMS marks, though both Part A and Part B components must also be passed. Further information on raw mark to UMS conversions and grade calculations is provided on the teacher view of the online course site.

### 10.2 External assessment

The structure of the assessment ensures that all aspects of the course content are subject to external examination. No teacher-set or teacher-marked tasks or assignments will contribute to students' marks and all assessment will be under strict examination conditions.

### 10.3 Synoptic assessment

The Part B assessment component for each Unit will test students' ability to integrate the skills, concepts and knowledge from the unit. Unit 2 builds upon Unit 1 and the content of Unit 2 has been designed to combine concepts, skills, techniques and factual content from across the units in order to enable students to demonstrate an integrated understanding of concepts, theories, and knowledge from across the syllabus. The weighting of the written components (65%) indicates the importance for learners of

- taking an application-focused approach from the outset
- integrating knowledge and skills incrementally throughout the course
- preparing themselves to apply the full range of their skills and understanding in tackling the case study assessment

- gaining sufficient practice in explaining, justifying and evaluating in clear written English.

## 11. Grading

11.1 Units will be graded with pass / fail only.

11.2 The overall qualification will be graded A\* – E. To achieve a pass, students must achieve a mark of 40% of the UMS in both units. The final qualification grade boundaries in UMS are as follows:

CeFS Qualification grade boundaries	
Grade	Uniform mark
A*	342
A	304
B	266
C	228
D	190
E	152

Whilst units themselves are not graded (in accordance with Ofqual's QCF framework rules), component-related grade boundaries are set in order to calculate the UMS. The process for this is explained in more detail in grading guidance available on the course site. The component related grade boundaries are set by the grade award panel in line with the qualification grade descriptors.

11.3 The grade descriptors that examiners will use in setting the marking approach and grade boundaries for the Part B assessment papers of CeFS are described in the table below.

The grade descriptors are also descriptive of the level of achievement at which the fixed grade boundaries are set for the Part A multiple choice question assessment papers.

All grades above E/Pass indicate that the student has met the learning outcomes and, in addition to that, have reached a further level of achievement based on the quality and consistency of their performance in relation to the assessment criteria.

GRADE	DESCRIPTION
A*	The student has a <b>thorough</b> and <b>accurate</b> command of the <b>entirety</b> of the syllabus and is able, in <b>all</b> contexts, to demonstrate <b>consistently excellent</b> achievement across the <b>full</b> range of learning outcomes.

<b>A</b>	The student has a <b>comprehensive</b> command of the <b>entirety</b> of the syllabus and is able, in a <b>variety</b> of contexts, to demonstrate <b>consistently high</b> achievement across the <b>full</b> range of learning outcomes.
<b>B</b>	The student has a <b>good</b> understanding of the <b>majority</b> of the syllabus and is able, in <b>different</b> contexts, to demonstrate achievement across the range of learning outcomes.
<b>C</b>	The student has a <b>broad</b> understanding of the <b>main</b> features of the syllabus and is able to demonstrate achievement across the learning outcomes but to a <b>limited</b> degree in some areas.
<b>D</b>	The student has a <b>basic</b> understanding of many of the features of the syllabus but is able to demonstrate achievement across the learning outcomes but to a <b>limited</b> degree in several areas.
<b>E</b>	The student has met the learning outcomes but has a <b>limited</b> knowledge of <b>some</b> individual areas within the syllabus and consequently is able to demonstrate achievement of all learning outcomes but often only <b>partially</b> and/or <b>inconsistently</b> .
<b>F</b>	The student is <b>unable</b> to demonstrate enough knowledge to demonstrably achieve the learning outcomes.

## 12. Assessment resits

- 12.1** Students are allowed one resit attempt for each component of the unit in accordance with the published qualification handbook. Students and teachers should be aware that the resit opportunity for Part B will relate to a different case study. The highest mark gained from both sittings will count.

## 13. Learning resources

- 13.1** Students will be provided with the following learning resources:
- online access via **my ifslearning** to learning materials, including activities to help consolidate learning, and to **ifs KnowledgeBank** (virtual library);
  - unit syllabuses;
  - revision guide;
  - specimen papers.
- 13.2** Additionally, free teaching / workshop guidance and support materials are available to teachers.

## 14.1 Unit 1 specification

<b>Unit title</b>	Unit 1: Financial Capability for the Immediate and Short Term (FCIS)
<b>Ofqual unit reference number</b>	T / 504 / 8100
<b>Unit level</b>	3
<b>Unit credit value</b>	15
<b>Unit aims</b>	<ul style="list-style-type: none"><li>i. This unit highlights the importance of financial capability in meeting immediate and short-term financial needs.</li><li>ii. It introduces students to the financial services industry by focusing on the interaction between money, personal finance and the financial services market place.</li><li>iii. Students will gain an understanding of cash flow to meet immediate and short-term financial needs through balancing income against expenditure.</li><li>iv. Students will gain an appreciation of the differentiation of financial products for savings and the key features of interest and charges on borrowing.</li><li>v. Students will understand their key responsibilities in terms of earning, income tax, National Insurance and other personal financial considerations depending on the stage of their life cycle.</li><li>vi. Students will gain an appreciation of why money is important through focusing on what money is; attitudes to it; and how it can affect life choices.</li></ul>

## 14.2 Unit 1 learning outcomes / assessment criteria

Learning outcome (LO) The learner when awarded credit for this unit will:	Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can:
1. Understand the value and purposes of money.	1.1 Define the purposes of money. 1.2 Outline the key features of money. 1.3 Critically compare different methods of transferring money.
2. Understand the concept of the personal life cycle and the impact of external influences.	2.1 Distinguish between the key stages of the personal life cycle. 2.2 Distinguish between the external influences on key stages of the personal life cycle. 2.3 Analyse the effect of external influences on key stages of the personal life cycle.
3. Understand the features of different types of financial services product.	3.1 Differentiate between financial services products for savings. 3.2 Identify the key features of basic savings accounts. 3.3 Outline the key features of the financial services products for borrowing. 3.4 Identify the key features of costs of borrowing.
4. Understand the role of key stakeholders in financial services provision.	4.1 Differentiate between different types of financial services provider. 4.2 Critically compare the communication methods used by financial services providers. 4.3 Explain the role of financial services regulatory bodies.
5. Understand the characteristics of financial products for managing money.	5.1 Identify the key features of different types of bank account. 5.2 Distinguish between different types of card payment.
6. Understand how to manage finance in the short term and the impact of poor decision-making and unforeseen circumstances.	6.1 Interpret a cash flow forecast for short-term financing. 6.2 Provide solutions for dealing with unforeseen events that impact on current finances. 6.3 Explain the potential consequences for an individual of living beyond their means.
7. Understand the impact of legislation and regulations on earnings and the key features of income tax and National Insurance.	7.1 Interpret legislative, regulatory and organisational requirements and procedures relevant to earnings. 7.2 Apply the key features of income tax and National Insurance
8. Understand an individual's financial needs through the various life stages.	8.1 Evaluate lifelong financial planning through the various life stages.

## 14.3 Unit 1 assessment methodology

- i. The assessment of Unit 1 will have two components:
  - a. Part A – 35 multiple-choice questions. This component of the examination is to be completed in forty five minutes. This component of the examination is worth 35 marks.
  - b. Part B – a pre-release case study essay. Prior to the examination, students will be given data and information to consider. The examination paper will also provide additional data and information that relates to the pre-release case study. Students will then be asked questions specifically about the case study (covering both pre-release and new data and information). This component of the examination is to be completed in one hour and forty five minutes. There will also be additional questions which may not be related to the case study to make sure all learning outcomes within the unit are covered. This component of the examination is worth 65 marks. Part B will also assess spelling, punctuation and grammar (SPAG) which will contribute 5 marks to the overall mark of 65.
  - c. The examination will be worth a total of 100 marks.
- ii. Part B, which contains the pre-release case study essay, will consist of a scenario and research information. The question(s) will be designed to cover the assessment criteria of the learning outcomes.
- iii. SPAG is assessed via students' responses to the essay questions in part B. Students will be told on the examination paper which questions will be assessed for SPAG.

## 14.4 Unit 1 QCF Level 3 descriptor comparison with CeFS assessment criteria

Title: Unit 1: Financial Capability for the Immediate and Short Term (CIS)		
QCF level descriptor	Unit assessment criteria focus	In this unit, individuals will:
Knowledge and Understanding (KU)	1.1 / 1.2 2.1 / 2.2 3.1 / 3.2 / 3.3 / 3.4 4.1 / 4.3 5.1 / 5.2 6.3 7.1 / 7.2	<p><b>KU 1:</b> Develop knowledge and understanding of legislative, regulatory and procedural information plus characteristics of financial services components to facilitate problem-solving of non-routine and complex tasks.</p> <p><b>KU 2:</b> Use information and ideas to evaluate situations and propose financial solutions for self.</p> <p><b>KU 3:</b> Demonstrate an understanding of the perspectives and approaches of key stakeholders in financial services provision and the impact of wants, needs and aspirations on individuals.</p>
Application and Action (AA)	1.3 2.1 / 2.2 8.1 4.1 5.1 / 5.2 6.2 7.1 / 7.2	<p><b>AA 1:</b> Apply knowledge and understanding in providing financial solutions to routine and non-routine complex tasks.</p> <p><b>AA 2:</b> Evaluate, distinguish between and compare key features of financial services and summarise findings.</p>
Autonomy and Accountability (AuA)	2.3 4.2 6.1	<p><b>AuA 1:</b> Make financial judgements and recommendations based on collected and established information to manage own finances in making financial decisions.</p> <p><b>AuA 2:</b> Justify reasons for recommendations and judgements.</p>



## 14.5 Unit 1 syllabus

<b>UNIT 1 SYLLABUS LOs / ACs</b>		
<b>LO1: Understand the value and purposes of money.</b>		
<b>AC1.1: Define the purposes of money.</b>		
<ul style="list-style-type: none"> <li>• What is money</li> <li>• Purposes of money</li> </ul>		
<b>AC1.2: Outline the key features of money.</b>		
<ul style="list-style-type: none"> <li>• Concept of purchasing power</li> <li>• Value and the effect of time</li> <li>• Types of money</li> </ul>		
<b>AC1.3: Critically compare different methods of transferring money.</b>		
<ul style="list-style-type: none"> <li>• How money is transferred</li> <li>• Benefits / limitations as a means of exchange</li> <li>• Credit cards, debit cards, internet payments, cash cards, standing orders, internet payments, store cards, cheques, pre-payment cards, contactless cards, travellers' cheques, etc</li> </ul>		
<b>LO2: Understand the concept of the personal life cycle and the impact of external influences.</b>		
<b>AC2.1: Distinguish between the key stages of the personal life cycle.</b>		
<ul style="list-style-type: none"> <li>• Different stages within the personal life cycle</li> <li>• Nature of the personal life cycle</li> <li>• How the life cycle may vary depending on personal circumstances</li> </ul>		
<b>AC2.2: Distinguish between the external influences on key stages of the personal life cycle.</b>		
<ul style="list-style-type: none"> <li>• Aspects of safety, risks, status within the life cycle</li> </ul>		
<b>AC2.3: Analyse the effect of external influences on key stages of the personal life cycle.</b>		
<ul style="list-style-type: none"> <li>• Socio-economic trends and how these affect life cycle stages</li> </ul>		
<b>LO3: Understand the features of different types of financial services product.</b>		
<b>AC3.1: Differentiate between financial services products for savings.</b>		
<ul style="list-style-type: none"> <li>• Key features of financial services products for savings</li> </ul>		
<b>AC3.2: Identify the key features of savings accounts.</b>		
<ul style="list-style-type: none"> <li>• Key features of savings accounts</li> </ul>		
<b>AC3.3: Outline the key features of the financial service products for borrowing.</b>		
<ul style="list-style-type: none"> <li>• Key features of different types of financial services product for borrowing</li> </ul>		
<b>AC3.4: Identify the key features of costs of borrowing.</b>		
<ul style="list-style-type: none"> <li>• Key features of costs of borrowing</li> </ul>		

<b>LO4: Understand the role of key stakeholders in financial services provision.</b>	
<b>AC4.1: Differentiate between different types of financial services provider.</b>	
<ul style="list-style-type: none"> <li>• Different types of financial services provider, including banks (and challenger banks), building societies, credit unions, friendly societies, National Savings and Investments and the Post Office</li> </ul>	
<b>AC4.2: Critically compare the communication methods used by financial services providers.</b>	
<ul style="list-style-type: none"> <li>• Different communication methods used by providers</li> <li>• Advantages and disadvantages of different methods used by financial services providers, eg internet, branch banking, telephone, mobile phone, postal banking</li> </ul>	
<b>AC4.3: Explain the role of financial services regulatory bodies.</b>	
<ul style="list-style-type: none"> <li>• The role and limitations of the Financial Conduct Authority (FCA)</li> <li>• The role and limitations of the Financial Ombudsman Service</li> <li>• The role and limitations of the Financial Services Compensation Scheme</li> <li>• The role and limitations of the Office of Fair Trading</li> </ul>	
<b>LO5: Understand the characteristics of financial products for managing money.</b>	
<b>AC5.1: Identify the key features of different types of bank account.</b>	
<ul style="list-style-type: none"> <li>• Different types of bank account</li> <li>• Access to accounts, eg ATM, savings books, cash cards, internet, mobile phone</li> <li>• Account features, eg bank charges</li> </ul>	
<b>AC5.2: Distinguish between different types of card payment.</b>	
<ul style="list-style-type: none"> <li>• Types of card payment</li> <li>• Payment features, eg transaction period / speed</li> </ul>	
<b>LO6: Understand how to manage finances in the short term and the impact of poor decision-making and unforeseen circumstances.</b>	
<b>AC6.1: Interpret a cash flow forecast for short-term financing.</b>	
<ul style="list-style-type: none"> <li>• The need for short-term financing and cash flow</li> <li>• How to live within your means by balancing your income against expenditure</li> <li>• The cost of living in the UK today and the ways in which this is measured</li> <li>• The need to manage money within the constraints of income and mandatory expenditure</li> <li>• Creditworthiness</li> <li>• Budgets</li> </ul>	
<b>AC6.2: Provide solutions for dealing with unforeseen events that impact on current finances.</b>	
<ul style="list-style-type: none"> <li>• Managing risk through mandatory and voluntary general insurance, eg car, pet, travel</li> <li>• Dealing with unforeseen events that impact on current finances</li> <li>• Saving surplus funds for future needs, eg the idea of an emergency fund</li> <li>• Getting into debt and how to resolve the situation</li> <li>• Good and bad debt</li> <li>• Debt organisations</li> </ul>	

<b>AC6.3: Explain the potential consequences for an individual of living beyond their means.</b>	
<ul style="list-style-type: none"> <li>• The consequences of expenditure being greater than income</li> <li>• The implications of entering financial contracts</li> <li>• Debt management</li> </ul>	
<b>LO7: Understand the impact of legislation and regulations on earnings and the key features of income tax and National Insurance.</b>	
<b>AC7.1: Interpret legislative, regulatory and organisational requirements and procedures relevant to earnings.</b>	
<ul style="list-style-type: none"> <li>• Minimum wage rates for different age groups</li> <li>• Maximum working hours for different age groups</li> </ul>	
<b>AC7.2: Apply the key features of income tax and National Insurance.</b>	
<ul style="list-style-type: none"> <li>• An individual's responsibility in terms of taxation and National Insurance</li> <li>• Key components of a payslip</li> <li>• PAYE, tax codes, P45 and P60s</li> <li>• Filling in an income tax return</li> </ul>	
<b>LO8: Understand an individual's financial needs through the various life stages.</b>	
<b>AC8.1 Evaluate lifelong financial planning through the various life stages</b>	
<ul style="list-style-type: none"> <li>• How financial decision-making changes depending on the transition from one life stage to another life stage</li> </ul>	
<b>Study skills and exam practice</b>	
<ul style="list-style-type: none"> <li>• Exam techniques</li> <li>• Evaluation and analysis skills</li> <li>• Importance of spelling, punctuation and grammar</li> </ul>	

## 15.1 Unit 2 specification

<b>Unit title</b>	Unit 2: Financial Capability for the Medium and Long Term (FCML)
<b>Ofqual unit reference number</b>	D / 504 / 8110
<b>Unit level</b>	3
<b>Unit credit value</b>	15
<b>Unit aims</b>	<ul style="list-style-type: none"> <li>i. This unit highlights the importance of planning for medium- and long-term financial needs, with particular reference to the importance of the need to budget for future aspirations and life events.</li> <li>ii. It introduces students to the features of risks and reward in managing personal finances.</li> <li>iii. Students will consider the changing priorities attached to needs, wants and aspirations as individuals progress through the personal life cycle and the role of financial services in assisting lifelong financial planning.</li> <li>iv. Students will gain an understanding of the personal approaches that individuals take towards risk and rewards and the impact of foreseen and unforeseen influences on financial budgeting.</li> <li>v. Students will understand the features of different types of financial services product, how to make informed choices about these financial services products, and when, where and how they can get financial help and advice.</li> <li>vi. Students will gain an appreciation of the differentiation of financial products for investment and borrowing, and the charges attached to them.</li> <li>vii. Students will gain insight into Islamic banking.</li> <li>viii. Students will consider the validity of data and information as a means of assisting in the financial decision-making process.</li> </ul>

## 15.2 Unit 2 learning outcomes / assessment criteria

Learning outcome The learner when awarded credit for this unit will:	Assessment criteria Assessment of the LOs will require a learner to demonstrate that they can:
1. Understand the influence of values, needs, wants and aspirations on financial decision-making.	1.1 Identify the key features of needs, wants and aspirations. 1.2 Identify how needs, wants and aspirations can be satisfied through informed financial decision-making. 1.3 Identify how personal values affect an individual's thoughts, feelings, behaviour and decision-making.
2. Understand how to budget for future aspirations and life events.	2.1 Develop a budgetary plan to achieve a medium- or long-term aspiration. 2.2 Explain the importance of financial budgets. 2.3 Identify the key steps for financial planning. 2.4 Explain the need for flexibility in a financial plan.
3. Understand how to plan for medium- and long-term financial needs.	3.1 Explain the importance of constant monitoring of financial planning. 3.2 Explain the significance of financial budgeting in fulfilling needs and aspirations through the life cycle. 3.3 Explain how foreseen and unforeseen influences have an impact on financial budgeting. 3.4 Analyse the consequences of an individual's financial footprint on future financing.
4. Understand the features of risks and rewards in managing personal finances.	4.1 Explain the relationship between risk and reward. 4.2 Analyse the impact of different attitudes to risk on financial planning. 4.3 Explain risk and reward in terms of impact, severity and probability.
5. Understand the features of different types of financial services product.	5.1 Differentiate between financial services products for investment. 5.2 Identify the key features of savings accounts and the impact of taxation. 5.3 Differentiate between the financial services products for borrowing. 5.4 Identify the key features of interest and charges on borrowing. 5.5 Explain the key features of Islamic banking.
6. Understand how to make informed financial choices in the selection of financial services products.	6.1 Evaluate a situation and make justified recommendations between a number of financial solutions. 6.2 Evaluate and critically compare how a solution matches the individual's circumstances and attitudes. 6.3 Evaluate the impact of external factors upon the potential of a solution.

Learning outcome The learner when awarded credit for this unit will:	Assessment criteria Assessment of the LOs will require a learner to demonstrate that they can:
<p><b>7. Understand when, where and how an individual can get financial help and advice.</b></p>	<p>7.1 Analyse the validity of data and information sources in proposing financial decisions and plans.</p> <p>7.2 Compare and contrast the different types of advice available when choosing financial services products.</p> <p>7.3 Identify the key features of advice and information on financial services products and services.</p> <p>7.4 Compare and contrast the advantages and disadvantages of researching financial services products and services on the internet against other channels of information.</p>

## 15.3 Unit 2 assessment methodology

- i. The assessment of Unit 2 will have two components:
  - a. Part A – 35 multiple-choice questions. This component of the examination is to be completed in forty five minutes. This component of the examination is worth 35 marks.
  - b. Part B – a pre-release case study essay. Prior to the examination, students will be given data and information to consider. The examination paper will also provide additional data and information that relates to the pre-release case study. Students will then be asked questions specifically about the case study (covering both pre-release and new data and information). This component of the examination is to be completed in one hour and forty five minutes. There will also be additional questions, which may not be related to the case study, to make sure all learning outcomes within the unit are covered. Part B will also assess spelling, punctuation and grammar (SPAG), which will contribute 5 marks to the overall mark of 65.
  - c. The examination will be worth a total of 100 marks.
- ii. Part B, which contains the pre-release case study essay, will consist of a scenario and research information. The question (s) will be designed to cover the assessment criteria of the learning outcomes.
- iii. SPAG is assessed via students' responses to the essay questions in part B. Students will be told on the examination paper which questions will be assessed for SPAG.

## 15.4 Unit 2 QCF Level 3 descriptor comparison with CeFS assessment criteria

Title: Unit 2: Financial Capability for the Medium and Long Term (CML)		
QCF level descriptor	Unit assessment criteria focus	In this unit, individuals will:
Knowledge and Understanding (KU)	2.1 / 2.2 3.1 / 3.2 / 3.3 / 3.4 4.2 / 4.4 5.1 / 5.3 / 5.5	<p><b>KU1:</b> Develop knowledge and understanding of the significance of long-term budgeting and the key features of products and services for borrowing and investment.</p> <p><b>KU2:</b> Make informed decisions in financial planning for the future.</p>
Application and Action (AA)	2.2 / 2.3 3.2 4.3 5.2 / 5.4 6.3 7.3	<p><b>AA1:</b> Apply knowledge and understanding to assess financial risk and reward in planning and proposing financial solutions for the future.</p> <p><b>AA2:</b> Evaluate, distinguish between and compare key features of financial services products for borrowing and investment and summarise findings.</p> <p><b>AA3:</b> Analyse the validity of data and information sources in making selections.</p>
Autonomy and Accountability (AuA)	3.4 4.1 6.1 / 6.2 7.1 / 7.2 / 7.4	<p><b>AuA1:</b> Provide financial solutions and recommendations for others based on collected and established information, taking into consideration an individual's circumstances and attitude to risk.</p> <p><b>AuA2:</b> Justify reasons for recommendations and solutions.</p>



## 15.5 Unit 2 syllabus

<b>UNIT 2 SYLLABUS</b>	
<b>LOs / ACs</b>	
<b>LO1: Understand the influence of values, needs, wants and aspirations on financial decision-making.</b>	
<b>AC1.1: Identify the key features of needs, wants and aspirations.</b>	
<ul style="list-style-type: none"> <li>Differences between needs, wants and aspirations</li> <li>How an individual's needs, wants and aspirations change over their personal life cycle</li> </ul>	
<b>AC1.2: Identify how needs, wants and aspirations can be satisfied through informed financial decision-making.</b>	
<ul style="list-style-type: none"> <li>How needs, wants or aspirations will need to be satisfied at each stage</li> <li>Internal factors eg values, beliefs, attitudes, perceptions and preferences. External factors eg marketing and advertising, peer pressure and trends, fashions and role models</li> <li>Satisfaction through financial services solutions</li> </ul>	
<b>AC 1.3: Identify how personal values affect an individual's thoughts, feelings, behaviour and decision-making.</b>	
<ul style="list-style-type: none"> <li>How personal values and the value system affect an individual's thoughts, feelings, behaviour and decision-making</li> <li>The affordability, implications and responsibilities associated with different solutions</li> <li>How individuals may have to prioritise their wants, needs and aspirations</li> </ul>	
<b>LO2: Understand how to budget for future aspirations and life events.</b>	
<b>AC2.1: Develop a budgetary plan to achieve a medium- or long-term aspiration.</b>	
<ul style="list-style-type: none"> <li>Budgeting as part of a financial plan to achieve particular medium- and / or long-term aspirations and as they are impacted by life events, eg buying a house or car</li> </ul>	
<b>AC2.2: Explain the importance of financial budgets.</b>	
<ul style="list-style-type: none"> <li>The purpose of budgeting as part of a financial plan to improve the likelihood of achieving particular objectives, eg focusing on priorities, avoiding getting into financial difficulties</li> <li>The consequences of failing to budget, eg suffering financial difficulties</li> </ul>	
<b>AC2.3: Identify the key steps for financial planning.</b>	
<ul style="list-style-type: none"> <li>The key steps for financial planning</li> </ul>	
<b>AC2.4: Explain the need for flexibility in a financial plan.</b>	
<ul style="list-style-type: none"> <li>The need to develop a personal financial plan that is flexible enough to deal with unforeseen events and changes in personal circumstances</li> </ul>	
<b>LO3: Understand how to plan for medium- and long-term financial needs.</b>	
<b>AC3.1: Explain the importance of constant monitoring of financial planning.</b>	
<ul style="list-style-type: none"> <li>The need for medium- and long-term planning</li> </ul>	
<b>AC3.2: Explain the significance of financial budgeting in achieving needs and aspirations through the life cycle.</b>	
<ul style="list-style-type: none"> <li>The significance of financial budgeting within a personal life cycle</li> </ul>	

<b>AC3.3: Explain how foreseen and unforeseen influences have an impact on financial budgeting .</b>	
<ul style="list-style-type: none"> <li>The foreseen and unforeseen events likely to influence financial decisions in the future</li> </ul>	
<b>AC3.4: Analyse the consequences of an individual's financial footprint on future financing.</b>	
<ul style="list-style-type: none"> <li>The consequences of poor financial choices, bad debt and the financial footprint</li> </ul>	
<b>AC4: Understand the features of risks and rewards in managing personal finances.</b>	
<b>AC4.1: Explain the relationship between risk and reward.</b>	
<ul style="list-style-type: none"> <li>The relationship between the level of risk and the prospect of reward</li> </ul>	
<b>AC4.2: Analyse the impact of different attitudes to risk on financial planning.</b>	
<ul style="list-style-type: none"> <li>How attitudes to risk affect personal financial planning, eg very cautious (very low risk)</li> </ul>	
<b>AC4.3: Explain risk and reward in terms of impact, severity and probability.</b>	
<ul style="list-style-type: none"> <li>The assessment of risks and reward in terms of impact, severity and probability</li> </ul>	
<b>LO5: Understand the features of different types of financial services product.</b>	
<b>AC5.1: Differentiate between financial services products for investment.</b>	
<ul style="list-style-type: none"> <li>Key features of financial services products for investing</li> <li>Different types of financial services product for medium- and long-term investing: savings, investments, interest rates and dividends, and capital gains tax</li> </ul>	
<b>AC5.2: Identify the impact of taxation on savings accounts.</b>	
<ul style="list-style-type: none"> <li>Key feature of savings accounts</li> </ul>	
<b>AC5.3: Differentiate between the financial services products for borrowing.</b>	
<ul style="list-style-type: none"> <li>Different types of financial services product for medium- and long-term borrowing: personal loans, hire purchase, credit cards, mortgages, etc</li> <li>Key features of different types of financial services product for borrowing</li> <li>Minimising the risk of borrowing through insurance</li> </ul>	
<b>AC5.4: Identify the key features of interest and charges on borrowing.</b>	
<ul style="list-style-type: none"> <li>Key features of financial services products for borrowing</li> <li>Key features of charges on borrowing products</li> </ul>	
<b>AC5.5: Explain the key features of Islamic banking.</b>	
<ul style="list-style-type: none"> <li>Key features of Islamic banking</li> <li>Islamic financial transaction terminology</li> </ul>	
<b>LO6: Understand how to make informed financial choices in the selection of financial services products.</b>	
<b>AC6.1: Evaluate a situation and make justified recommendations between a number of financial solutions.</b>	
<ul style="list-style-type: none"> <li>How solutions match an individual's circumstances</li> <li>Attitudes of the individual and the potential impact of external factors upon the viability of financial services solutions</li> </ul>	
<b>AC6.2: Evaluate and critically compare how a solution matches the individual's circumstances and attitudes.</b>	
<ul style="list-style-type: none"> <li>The main product mixes available</li> <li>The relationships between products, such as with joint demand and competitive demand</li> <li>Product mixes can exist both within each product group and across product groups</li> </ul>	

<b>AC6.3: Evaluate the impact of external factors upon the potential of a solution.</b>	
<ul style="list-style-type: none"> <li>The factors that determine the product mix chosen</li> </ul>	
<b>LO7: Understand when, where and how an individual can get financial help and advice.</b>	
<b>AC7.1: Analyse the validity of data and information sources in proposing financial decisions and plans.</b>	
<ul style="list-style-type: none"> <li>How to access and the key features of advice and information on products and services eg providers, television, radio, newspapers, magazines, websites, the Money Advice Service, Citizens Advice, family and peers and financial advisers</li> <li>Use of data and information available to support key financial decision-making</li> <li>Define ethics</li> <li>Ethical considerations</li> <li>Define sustainability</li> <li>Sustainability considerations</li> </ul>	
<b>AC7.2: Compare and contrast the different types of advice available when choosing financial products.</b>	
<ul style="list-style-type: none"> <li>The advantages and disadvantages for the consumer of different types of advice available when choosing financial services products</li> </ul>	
<b>AC7.3: Identify the key features of advice and information on financial services products and services.</b>	
<ul style="list-style-type: none"> <li>Key features of advice and information on products and services</li> </ul>	
<b>AC7.4: Compare and contrast the advantages and disadvantages of researching financial products and services on the internet against other channels of information.</b>	
<ul style="list-style-type: none"> <li>The advantages and disadvantages of researching financial services products on the internet compared with other channels</li> </ul>	
<b>Study skills and exam practice</b>	
<ul style="list-style-type: none"> <li>Exam techniques</li> <li>Evaluation and analysis skills</li> <li>Importance of spelling, punctuation and grammar</li> </ul>	

# Level 3 Certificate in Financial Studies (CeFS®) - 600 / 8537 / X

## About *ifs* University College

*ifs* University College is a registered charity, incorporated by Royal Charter, and has a remit to provide the financial services industry with a skilled and competent workforce while also promoting a better understanding of finance among consumers.

*ifs* University College is the only specialist financial education body that is able to award its own taught degrees, a status that reflects the quality of all its programmes.

Its financial capability, regulatory 'licences to practise' and higher professional qualifications are directly informed in terms of content and learning experience by the needs of those it exists to educate. They bridge the academic / vocational divide to provide students with essential practical skills and the conceptual and analytical abilities of academic study.

It is this unique and innovative approach that makes *ifs* University College the provider of choice for organisations and individuals seeking to improve knowledge, skills and career prospects in the area of finance and financial services.

## *ifs* University College

*ifs* House

4–9 Burgate Lane

Canterbury

Kent CT1 2XJ

**T:** +44 (0) 1227 818609 (option 3)

**E:** [fcexams@ifsllearning.ac.uk](mailto:fcexams@ifsllearning.ac.uk)

**W:** [www.financialcapability.co.uk](http://www.financialcapability.co.uk)