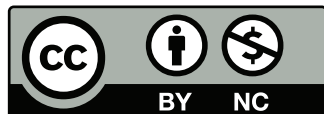


Planning

Money Awareness and Financial Literacy



<http://mirrors.creativecommons.org/presskit/buttons/88x31/eps/by-nc.eps>

This work is licensed under the Creative Commons Attribution-NonCommercial 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc/4.0/>

Permissions beyond the scope of this license are identified in the materials by a copyright symbol and are outlined below. To request permission to use the exclusions to this Creative Commons license, contact the author/publisher of the third party materials:

Third party copyright exclusions include:

The following pages have been copied, with permission, from the resource Choices & Decisions: taking charge of your financial life™: Choosing a Chequing Account, Writing a Cheque, Reading a Bank Statement, Reading a Bank Statement Answer Key, Setting Your Financial Goals. This resource can be viewed and ordered online at www.practicalmoneyskills.ca

Course History

New, December 2012

Project Management: Michelle Nicholson, Eleanor Liddy, Shannon Mitchell

Instructional Designer: Carol Orom

Writers: Karen Barnstable, Tom Bercic, Leanne Baugh-Peterson, Heather Green, Heidi Hackman, Eleanor Liddy, Carol Orom, Wendy Rush, Michelle Nicholson

Reviewers: BC Securities Commission, Cindy John, Wendy Rush SD 63 Saanich, Janey Smith, Jane Thomas UBC, Joan Wheeler South Central Distance Education School, Shelley Wilcox SD 36 Surrey, Workers' Compensation Board of British Columbia

Editor: Lee McKenzie McAnally

Copyright: Ilona Ugro

Researcher: André Ruhigisha

Production Technicians: Sharon Barker, Beverly Carstensen, Laurie Lozoway

Graphics: Pat McCallum, Cal Jones, Janet Bartz

Multimedia: Chris Manuel, Robert Aitken, Charles Sherman, Sean Cunnam, Leah Renahan, Dal Little

Video Production: Pandora's Box Productions, Victoria

Student Actors/Contributors: Heather Bertsch, Jacki Bickford, Jenny Birnbaum, Ian Dunbar, Kevin Dunbar, Drew Futcher, Scott Gilmore, Seth Gustavson, Kevin House, Kimberly House, Yuka Kurokawa, Steve Larabie, Shane Lynch, Jennifer Matte, Nicholas Matte, Kiran Nandhra, Aimee Nicholson, Travis Robinson, Desiree Stevens, Jeremy Walden, Matt Steele

Teacher Advisors: Heather Green North Island Distance Education School, Karen Smith SD 40 New Westminster, Kathleen MacDonald SD 40 New Westminster, Ethel Mailhot South Island Distance Education School, Greg Smith SD 53 Oliver, Tom Bercic Greater Vancouver Distance Education School, Dieter Bauer The Open Door Vernon BC, Val Kilbey Central Interior Distance Education School, Maryjanne Yusyp Consortium of Distance Education Schools of British Columbia, Maureen Shenton South Island Distance Education School, Anne Mais SD 63 Saanich

Special Thanks to: Dini Steyn, Rachael Livingston, Debbie Pires SD 63 Saanich, Students of Parkland Secondary Sidney BC, Matt Steele, BC Ministry of Education: Leslie Thompson, Kristin Mimick and Mary-Anne Neal

Table of Contents

Viewing Your PDF Learning Package	iv
Overview: Section Organization	v
Money Awareness and Financial Literacy	1
Lesson A: My Money	3
Lesson B: Real Costs	13
Lesson C: Cost of Financial Services	17
Lesson D: Interpreting Financial Information	23
 Solutions	 27
Glossary	31
Appendix	35

Viewing Your PDF Learning Package

This PDF Learning Package is designed to be viewed in Acrobat. If you are using the optional media resources, you should be able to link directly to the resource from the pdf viewed in Acrobat Reader. The links may not work as expected with other pdf viewers.



Download Adobe Acrobat Reader: <http://get.adobe.com/reader/>

Overview

Section Organization

Lessons

Lessons have a combination of reading and activities to give you a chance to process the material while being an active learner. Each lesson is made up of the following parts:

Activities

Throughout some lessons you see self-checking activities.

If your learning package contains self-check activities, you will mark these activities using the solutions at the end of the section.

Lesson Summary

This is a brief summary of the lesson content as well as some instructions on what to do next.

At the end of this section you will find:

Solutions

This contains all of the solutions to the Activities.

Glossary

This is a list of key terms and their definitions.

Icons

Throughout the section you will see a few icons used on the left-hand side of the page. These icons are used to signal a change in activity or to bring your attention to important instructions.



Planning online resource (optional)

This indicates a resource available on the internet. If you do not have access, you may skip these sections.



Solutions

Money Awareness and Financial Literacy

Want to handle money like a pro? Want to avoid the big money drain? Perhaps you're confused about how you'll be able to afford living away from home. Or maybe you're trying to decide whether or not to buy that new sound system. This section will help you learn how to budget and guide you in finding out what things really cost. You'll become financially literate by learning the facts about financial services. You'll also find out how a poor credit rating can affect your future, and discover the real cost of debt. All this will help you develop a personal financial plan that will put your future journey on the road.

Any purchase, from a small item to a car, requires planning. In this section you will be introduced to the concept of budgeting and making large purchases.

To make good decisions, it is important to be aware of the facts and realize that things are not always what they appear to be. In this section you will explore basic financial services, as well as different ways to determine whether or not financial offers are legitimate.

In this section you will:

- Determine your money personality profile.
- Create a budget.
- Explore fundamental banking basics.

Lesson A

My Money

Overview

Which of these describe you?

- I'm always short of money.
- I worry about money all the time.
- I never think about money.
- I'm always trying to save but it never seems to happen.

In this lesson you will analyze your financial habits and determine what kind of spending personality you have. You will also learn about budgeting. These skills will help you plan and take control of your financial future. Then you will achieve the things you want, like financing an education or buying a car.

Activity 1

Thinking About Money

Jot down your first responses to the questions in the space provided.

1. How much money do you have?

2. How do you spend it?

3. Exactly where does it come from?

4. How do you get more when you need it?

These are important questions to consider when making a financial plan.

Revenue and Expenses

A budget is a plan. You may find yourself budgeting for a movie ticket next week, a special purchase next month, or even a car next year. Budgeting means figuring out what money will be coming in and how much you will be spending, or how much will be going out.

Consider the various sources of your money and how you spend it. Sources of money or income are called **revenue** and the ways of spending it are called **expenses**. Some examples are:

Revenues

- Full-time job
- Part-time job
- Allowance
- Inheritance
- Investments

Expenses

- Food
- Clothing
- Transportation
- Entertainment

Activity 2

Creating My Own Budget: Projected Amounts

Budgeting is a process of making a plan for managing your money and then reviewing your plan to see if your original budget was realistic.

Part A:

For this activity, you need to brainstorm all of the ways you get money, known as income, and all of the ways you spend money, your expenses.



For a refresher on how to brainstorm, go to *Brainstorming Strategies* (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl106/pl1061---h001.html>).

Sometimes expenses are broken down even further into *fixed* and *variable expenses*, but not in this instance. Making a list of all of these will give you the foundation to create your very own budget.

Check out the items listed in *My Two-Week Budget Form*. You may notice some expenses that aren't listed. Add these to the form in the spaces provided.

Now input all of your amounts in the "Projected Amount" column of *My Two-Week Budget*. Will you have money left over at the end of the month? Or will you be a little short?

My Two-Week Budget

A	B	C	D	E	F
		Predicted Amount	Predicted TOTAL	Actual Amount	Actual TOTAL
	Income				
	Wage/Salary				
	Allowance				
	Gifts				
	Other				
1	TOTAL INCOME				
	Expenses				
	Housing				
	Rent				
	Cleaning supplies/services				
	General household goods				
2	Subtotal				
	Utilities				
	Cable				
	Telephone				
	Internet access				
	Cellular phone				
3	Subtotal				
	Food				
	Groceries				
	Meals out				
	Snacks (coffee)				
4	Subtotal				
	Personal Care				
	Clothing				
	Dry Cleaning				
	Accessories (shoes, belts, etc.)				
	Haircut/Style				
	Hair products				
	Makeup				
	Miscellaneous				
5	Subtotal				

A	B	C	D	E	F
		Predicted Amount	Predicted TOTAL	Actual Amount	Actual TOTAL
	Entertainment				
	Subscriptions				
	Memberships				
	Hobbies				
	Movies/Performances/Concerts				
	CDs and DVDs				
	Vacation				
	Sports expenses				
	Other Leisure Activities				
6	Subtotal				
	Transportation				
	Car payment				
	Car Insurance				
	Public Transportation/Bus fare				
	Gas/Oil				
	Parking/Tolls				
	Repairs				
	Licenses/Registrations				
7	Subtotal				
	Other				
	Savings				
	Medical Expenses not covered by Insurance (medication, glasses)				
	Medical Insurance				
	Tuition				
	School Expenses				
	Child Care/Babysitting				
	Pet Care				
	Donations				
	Gifts				
8	Subtotal				
	TOTAL EXPENSES (Lines 2 + 3 + 4 + 5 + 6 + 7 + 8)				

Part B:

For the next two weeks, record how you get money. Save your receipts and write down at the end of each day all of the places that you spend money. After two weeks, you will record these totals in *My Two-Week Budget* form in the "Actual Amount" column.

Nothing builds awareness like tracking your expenses for a period of time. This tracking is an important first step in building a budget for yourself.

Activity 3

Building a Financial Pie Graph

Understanding how we spend out money is sometimes easier if we see it pictured as a graph. A pie graph is most commonly used for this purpose. In this activity you will take stock of your spending by building a personal pie graph of your revenue and expenses. In other words, you will be doing the base work of creating a budget.

Make a list of all your expenses and revenue after you have subtracted **fixed expenses**. For example, if you earn \$1000 a month, and you spend \$450 on rent every month, you have a fixed expense—the rent. $\$1000 - \$450 = \$550$. You have \$550 of revenue to cover your **variable expenses**, or the expenses that change month to month.

This may take some time as you need to think of all your revenue and expenses. The best way to do this is to divide a page into two columns. Label the left column "Revenue After Fixed Expenses" and the right column "Expenses." List as many items, with an approximate dollar amount, as you can under each heading. To help you in the next activity, you should categorize your expenses under the sub-headings:

- Food
- Clothing
- Transportation
- Entertainment
- Miscellaneous

Need help? Look at *My Two Week Budget Form* for a reminder of different categories.



Using the information you compiled, fill in the *Expenses Pie Chart* (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl104/pl1041a2a001.html>).



If you have Internet access and Excel, you can use the *Expenses Pie Chart* Excel template (http://media.openschool.bc.ca/osbcmmedia/pl10/financial_pie_graph.xlsx). Save this template file with a new name to use for your own budgeting. Then enter your own expenses and income, and watch the pie build as you go. In this version, you can add your own expense fields for a more custom version of the pie chart.

Activity 4

Determining Your Money Personality

How do you think and feel about money? Do you want to spend it as soon as you get it? Do you save it? Do you hoard your money? Do you try not to think about it?

This activity has two parts. In Part A you will identify your money personality and decide whether or not you need to change it to find a better balance. In Part B you will reflect on how you answered the questions from the beginning of the lesson.

Part A: Financial Personalities

Financial personalities relate to your spending habits, your money values, and how you keep track (or don't) of your cash flow.

We usually feel more comfortable closer to one side over another. But on either extreme, we're missing out on the benefits of a balanced financial personality.

On the next page, mark an "x" to place yourself on each of the three financial continuums.

Spending / Saving

Shopoholic ←————→ Penny Pincher	
<input type="checkbox"/> I can't save a dime!	<input type="checkbox"/> Any spending on entertainment or clothing is unnecessary.
<input type="checkbox"/> Money burns a whole in my pocket—sometimes I even spend it before I get it.	<input type="checkbox"/> I save everything after I've paid for essentials.

Valuing

Amassar ←————→ Monk	
<input type="checkbox"/> I feel best when I have a lot of money to spend, or invest.	<input type="checkbox"/> Money is evil. It corrupts people when they get a lot of it.
<input type="checkbox"/> I'm always looking for ways to get more money—it's more important to me than spending time on other things.	<input type="checkbox"/> I would avoid ventures that would make me a lot of money, or require that I work with a lot of money.
<input type="checkbox"/> Money has the power to make everything better!	

Record Keeping

Bean Counter ←————→ Avoider	
<input type="checkbox"/> I keep track of everything I spend and make—to the penny!	<input type="checkbox"/> I would never invest money—keeping track of that stuff is too much trouble!
<input type="checkbox"/> I make detailed budgets for everything. Spreadsheets are my hobby.	<input type="checkbox"/> I get overwhelmed if I look at my bank statement.
<input type="checkbox"/> I dream in debits and credits.	<input type="checkbox"/> I don't make budgets. I can't follow them!
<input type="checkbox"/> I check my investments hourly.	<input type="checkbox"/> I have no idea how much money I have, owe or spend.

Part B:

1. Think about how you answered the question at the beginning of the lesson:
 - I'm always short of money.
 - I worry about money all the time.
 - I never think about money.
 - I'm always trying to save but it never seem to happen.
2. Does your placement on the financial continuum for spending, valuing or record keeping seem to reflect how you answered these questions? Why or why not?
3. Discuss your money personality with a classmate, friend, or family member.
4. Write a brief summary of this discussion.

Summary

Completing this lesson has helped you to:

- Analyze your financial habits.
- Determine your spending personality.

Lesson B

Real Costs

Overview

- In what ways can a speeding ticket affect you financially?
- Do you shop for food? What things do you consider when buying groceries?
- Buying from thrift stores is one way to save money. Can you think of other ways to save?
- What is the difference between purchasing a vehicle and leasing a vehicle? What are the pros and cons of leasing?
- When purchasing a vehicle, what are the pros and cons of taking advantage of a dealership's low financing rates and what do these really mean?
- What are the advantages of saving a large amount of money to put towards the purchase of a vehicle?

Think about moving into your own apartment for the first time or buying a vehicle. Spending money on either of these can be both exciting and stressful. One key to success in either scenario is to research the costs ahead of time. The more information you have, the better able you are to plan, and the happier you will be with your decisions.

In this lesson you will identify the costs involved in setting up a place to live, or those involved with buying and operating a vehicle. This lesson will help you prepare for the planning stage of either exciting initiative.

Select the topic that most appeals to you:

- Option 1: Setting Up an Apartment
- Option 2: Buying a Car

You may even want to explore both.

Option 1: Setting Up a New Home

Moving to a new place is a pretty big undertaking, both emotionally and financially. Many decisions have to be made: where to live, what to buy, how to choose a roommate.

This activity is your opportunity to ask questions and find answers about the challenges of successfully setting up a home for yourself. The main focus of this lesson is the financial concerns you will likely encounter when you start living on your own for the first time.

Moving into a place of your own is expensive. No matter how realistic your budget, it seems expenses always crop up unexpectedly. Often the first month is the most expensive, with extra costs for the damage deposit, phone and cable hook-up, furniture, and other necessities.

Activity 1 Shopping List

How will you cope with your first shopping trip before moving into your new place? What will you need to buy? Do you need furniture? Dishes? Cleaning supplies? How much will it all cost? This activity will give you a chance to plan that first shopping trip.

For this activity you will need to brainstorm ideas with yourself. Remember the brainstorming steps:

- Produce lots of ideas
- Treat all ideas as valuable
- Piggyback on other ideas
- Don't criticize ideas
- Don't involve storytelling or questions
- Don't leave out any ideas
- If you're looking for one idea, first sort to find the best 3 of 4 ideas. Then, find the best idea of all.

When you brainstorm with a group, you'll all want to decide on the best 3 or 4 ideas, then the best idea of all together.



If you have access, you can review *Brainstorming Strategies* online (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl106/pl1061---h001.html>).

1. Use the brainstorming strategy to think of all the items that you will have to buy on your first shopping trip. Remember to write down all your thoughts in your course notebook.
2. From your notes, list the **twenty most important items** you will need to purchase. This will be your shopping list.

Do you have too many things on your list? Will your money not stretch far enough? You probably have some good strategies, but here are a few more suggestions on how to stretch your money:

- Think ahead and prepare for all upcoming expenses.
- Buy generic brands of everything.
- Check out the bulk food aisle and compare prices.
- Learn to cook from scratch.
- Keep an extra cash reserve for emergencies.
- Avoid convenience stores.
- Eat before you go shopping.

Option 2: Buying a Vehicle

After a home, a vehicle is probably the most expensive item you will purchase with your hard earned money, so you want to make sure you get the best value. Many things must be considered besides choosing the model and the colour. It is easy to let your heart guide your decision—"I love this car!"—but conducting research ahead of time can really pay off. Keep the following things in mind when deciding on what you will buy:

- Insurance costs
- **Fuel economy**
- Repair data on the type of vehicle
- Individual vehicle history
- Book value

Summary

Completing this lesson has helped you to:

- Identify the cost of setting up an apartment for the first time, or of purchasing and operating a car.

Lesson C

Cost of Financial Services

Overview

In this lesson you will learn some fundamental concepts that are associated with banking, and compare the services at different financial institutions.

Banking Basics

You need to keep your money in a safe place. You might start out with a savings account, eventually, you need to look for a place that will allow you to cash and write cheques, transfer funds, and develop a credit rating.

What type of financial institution will you trust with your hard earned cash?

Canadians can choose different kinds of financial institutions:

- chartered banks (e.g., Royal, CIBC, Bank of Nova Scotia, TD Canada Trust)
- trust companies (e.g., Citizen's Trust, Montreal Trust)
- credit unions (e.g., Coast Capital Savings, VanCity Credit Union)
- investment companies (e.g., Wood Gundy, Nesbitt Burns)

You need a financial institution for several reasons:

- Your money is safe.
- Your money can earn interest.
- You can write cheques.
- You can use a ***debit card***.

You can develop a credit rating and become eligible for a loan, mortgage, or credit card.

- You can save money.
- You can invest your money.

Banking involves paperwork. This is how records of where your money goes are kept. It is also how money changes hands. Have you ever written a cheque? Have you ever received a bank statement? Do you keep a record of your own transactions?

Keeping a record of where your money goes is important. To help you keep track of the transaction that take place in your account, banks provide statements—either on paper or online, or both. Banks charge a fee for this service and this is one of the ways they make money.

Activity 1 Banking Basics

In this activity, you will explore how to write a cheque, read a bank statement and keep a transaction register.

1. Complete the three banking worksheets that follow.
2. Check your answers in *Solutions* at the end of this lesson.

Understanding your bank documents helps you keep a close eye on what is happening to your money. In rare cases, financial institutions will make mistakes or someone may have access to your account without your knowledge. It is your responsibility to look over your statements to make sure everything is correct.

Banking Worksheet #1: Writing a Cheque

<i>Jane Doe</i> 2111 Eagle St. Anytown, BC	CANADIAN BANK	NO. 317 20
PAY TO THE ORDER OF		\$
		DOLLARS
Memo	XX	
“003”:00167”010”:		

Use the cheque below to complete these seven tasks. Check your work when you are finished.

1. Enter the date correctly.
2. Enter the name of the payee or the company who is to get the cheque.
3. Write in the amount of the cheque using numerals. Would you leave any spaces?
4. Write in the amount of the cheque in words. Would you leave any spaces?
5. Replace the personal information on the cheque with your own.
6. Underline the identification numbers.
7. Fill out the memo space with the purpose of this cheque.

Fill out this cheque completely using the following scenario.


You need to pay your monthly cellphone bill. It is due on the last day of the month. You owe \$15.35 for one month. Your contract is with the PhoneAnyTime (PAT) company.

<i>Jane Doe</i> 2111 Eagle St. Anytown, BC	CANADIAN BANK	NO. 317 20
PAY TO THE ORDER OF		
	\$ _____	
	DOLLARS	
Memo _____	XX	
"003":00167"010":		

Banking Worksheet #2: Keeping a Transaction Register

This is a sample transaction record. You would fill out this everytime you use your bank account.

Cheque No.	Date	Description	Transaction Amount		Deposit Amount	Balance	
						366	97
179	8/4	Notes and Blues	216	30		216	30
		DVD Player				150	67
ATM	8/10	withdrawal	35	00		35	00
		spending money				115	67
D/Card	8/12	Debit Card	55	00		55	00
		Foodland groceries				60	67



Using the above transaction record:

- Circle the balance that has been brought forward.
- Draw an arrow to the ATM withdrawal.
- Where did the \$150.67 come from?
- Using the next line, fill out a new transaction: You have bought a t-shirt for \$19.95 in The Great T's Store on January 6, 2012. You paid with cheque #260.

Banking Worksheet #3: Reading Bank Statements

This is a bank statement. It is issued by banks and helps you keep track of the transactions that take place in your account. Banks provide statements—either on paper or online, or both. They charge a fee for this service and this is one of the ways they make money.



STATEMENT FOR

Jane Doe
4 Primrose Lane
Anytown, Canada

THIS STATEMENT COVERS

12/20/___ through 1/18/___

CHEQUING ACCOUNT 0471-678	Previous Statement Balance On 12/19/___	612.04
	Total of 3 Deposits For	1,980.68 +
	Total of 10 Withdrawals For	1,705.25 -
	Total Service Charges	3.50 -
New Balance		883.97 +

CHEQUES AND OTHER DEBITS	CHEQUE	DATE PAID	AMOUNT	CHEQUE	DATE PAID	AMOUNT
	181	12/24	15.00	184	12/17	1232.27
	182	1/04	17.00	186	12/31	54.47
	183	12/26	217.54	187	1/03	53.97
	Monthly Maintenance Charge				1/18	3.50
	Withdrawal #00281 at ATM #423A				12/24	40.00
	Withdrawal #02628 at ATM #423A				12/31	20.00
	Withdrawal #08744 at ATM #430E				1/15	20.00
	Withdrawal #02456 Debit Card				1/16	35.00

DEPOSITS AND OTHER CREDITS	DATE POSTED	AMOUNT
Transfer from 4039-557 at ATM #423C	12/27	1200.00
Customer Deposit at ATM #423A on 1/12	1/14	521.78
Direct Deposit from #05323 on 1/17	1/18	258.90

ATM	423A: 2500 Centre Plaza, Anytown, Canada
LOCATIONS	423C: 2500 Centre Plaza, Anytown, Canada
USED	430E: 945 Hamilton Ave., Big City, Canada

THANK YOU FOR BANKING WITH Your First Bank

Answer the following questions.

1. What period does this statement cover?

2. What is the account number of this statement?

3. How many deposits were made?

4. Was there any ATM activity? How many transactions were there?

5. Were there service charges? If so, how much was it?

6. What is the new balance of the account?

7. Did cheque #183 clear?

8. What was the amount of cheque #187?



Turn to Solutions at the end of the section to check your answers.

Summary

Completing this lesson has helped you to:

- Explore the fundamental concepts associated with banking, and compare the services at different financial institutions.

Lesson D

Interpreting Financial Information

Overview

Have you ever found yourself questioning an advertisement on the Internet or television? Do you sometimes say to yourself, “that’s just too good to be true”? If you said “yes” to either of these questions, you probably won’t fall into the trap of being scammed or ripped-off as easily as someone who is not skeptical. Unfortunately, people are taken advantage of everyday, and some of these deals make their lives very much worse!

Although not all great deals fall under the category of rip-offs, you need to be able to evaluate what is being offered and make sure you are not going to be taken advantage of. In this lesson, you will explore various types of offers and evaluate whether or not they are legitimate places to spend your hard-earned money.

Activity 1

Buyer Be Aware: Avoiding "Rip-offs"

Read the following scenarios.

1. Tom heard the following advertisement on the radio:

“Do you have money problems? Do you have bills to pay, and nothing to pay them with? Do you have bad credit? Or did you get turned away for a loan? We can help. Call 1-900-GET-CASH. A charge will appear on your phone statement.” When Tom called the hotline, he heard a recorded message that told him he was guaranteed to get a loan, or his \$55 fee would be refunded. All he had to do was call one of the loan providers they list.

2. Nia saw an ad on TV about a new credit card.

“There’s nothing like the hassle of trying to use a credit card and being told your card is denied,” the ad voiceover said. On the screen, a woman was turned away from a department store counter. “You try to get a new card, and you get turned down.” Now the screen showed the same woman was on the phone, with a frown on her face.

Nia knew what the woman was dealing with. She’d tried to get a new card, and her bank said no. But she really needed some money—just a hundred dollars for her boyfriend’s birthday—and when that was over, she could start tightening the belt.

“Now you can get a True Shopper card with no credit check. True Shoppers will receive a hundred dollars cash advance and a free trip to Cocoa Beach, Florida!” Nia picked up the phone. Cash advance! She could use that AND give the trip to her boyfriend for his birthday, and she wouldn’t even need to put anything on the card! Nia picked up the phone and dialed the number on the screen: 1-900-TRU-CARD. The small print under the number said there would be a ten dollar charge. Well, that was no problem. She’d have ten dollars by the time she got the bill.

3. *Chuck was looking up some information about new speakers on the Internet. When he visited one review website, it flashed a pop-up screen telling him he was the thousandth visitor to the site—so he’d won a free set of speakers! Wow! Chuck clicked on the button to continue.*
4. *Maia was drawn to a job ad in the online classifieds. The ad asked for someone to tutor a visiting student in English three times a week. When she responded to the ad, she was given a few more details. Then they asked for all her personal information, and said they would send her first week’s wages up front by certified cheque. Maia sent her full name, address, cell number, home number, age, sex, marital status, and her email address.*

The next email asked Maia to please pay the student’s housing agent a fee from her bank account, since the agent wouldn’t take their home country’s currency. The father apologized, and said he would refund her money along with her first week’s wages, as well as a bit extra for her trouble. They just had to make sure the agent was paid right away. They gave her the address of the agent so that Maia could send the payment.

After each scenario, jot down your thoughts to these questions.

- a. Have you ever heard of a deal like this before?

- b. Does it sound legitimate?

- c. Do you believe what is being said?

- d. What strategies are being used to persuade?

e. What might make you fall for this scheme?

You can take steps to avoid being taken advantage of. These steps are:

- Beware of too good to be true
- Beware of free anything
- Comparison shop
- Research deals you think might be a ripoff. Do an Internet search using some text from the ad and “scam.” OR visit a site like <http://www.snopes.com> that reveals the truth behind scams and urban legends.

What other things could you think of that might protect you?



Turn to Solutions at the end of the section to find out how the characters responded.

Activity 2

Searching out "Rip-offs"

Credit card cloning, hidden phone charges, email **phishing**, being overcharged for merchandise, buy now and pay later schemes, **Ponzi** and **pyramid schemes**—these are all examples of common scams. This activity will help you learn to evaluate marketing information more accurately by analyzing three “too good to be true” offers.

1. In order to find three really good examples of marketing offers that are “too good to be true” and therefore likely to be scams, you will need to do an information search for examples. First, you will need to decide where you are going to start your search. Are you going to use your local library? The Internet? Your personal resources?



To get a clear idea on how to conduct a search, go and review steps 1–3 of *Search Strategy* online (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl107/pl107--1h001.html>).

In *Step 2: Gather Information*—pay special attention to *Evaluating Information*.

2. Collect three “too good to be true” descriptions of offers that seem to you to be scams or dishonest in some way. Remember, each example you choose should involve trying to take money in some way with no return to the buyer. (Note: Are you curious about Ponzi and pyramid schemes? Take some extra time to find out exactly what these are.)
3. Describe your three offers or provide some kind of evidence of the content of them and describe why you think each one of them is not legitimate. End your description with a set of “Tips for Protecting Yourself” that would be useful for avoiding these types of scams.

Summary

Completing this lesson has helped you to:

- Find and examine potential scams to determine whether or not they are legitimate places to spend hard-earned money

Solutions

Lesson C: Cost of Financial Services

Activity 1

Banking Worksheet #1: Writing a Cheque

<i>Jane Doe</i> 2111 Eagle St. Anytown, BC	CANADIAN BANK	NO. 317 <u>January 31 2005</u>
PAY TO THE ORDER OF <u>Phone Any Time Company</u> \$ <u>15.35</u>		
<u>Fifteen dollars</u> . <u>35</u> DOLLARS		
Memo <u>January cell phone bill</u> XX		
"003":00167"010": <u>Jane Doe</u>		

Banking Worksheet #2: Keeping a Transaction Register

Cheque No.	Date	Description	Transaction Amount	Deposit Amount	Balance
					366.97
179	8/4	Notes and Blues	216.30		216.30
		DVD Player			150.67
ATM	8/10	withdrawal	35.00		35.00
		spending money			115.67
D/Card	8/12	Debit Card	55.00		55.00
		Foodland groceries			60.67
260	1/6	Great T's Shirt	19.95		19.95
					40.72

The \$150.67 is the amount of balance left over when the \$216.30 paid for the DVD player was subtracted from the balance.

New Purchase

Banking Worksheet #3: Reading Bank Statements

1. 12/20/___ – 1/18/___
2. 0471-678
3. Three for the amounts of \$1200, \$521.78 and \$258.90
4. Yes—three for the total of \$35

5. Yes—\$3.50
6. \$883.97
7. No
8. \$53.97

Lesson D: Buyer Be Aware: Avoiding Rip-offs

Activity 1

1. Only 1-800 numbers come without a charge. If you call a 1-900 number, a charge will appear on your phone bill. This one was a \$55 charge, just for calling the initial number. Tom called the numbers for the loan providers, and they all turned him down. When Tom asked them for his \$55 back, they said they didn't have anything to do with the charges for the 1-900 number. And Tom didn't have contact information—no address, no name—nothing to refer to to help him track down the business and demand his money back.
2. Nia's call was answered. "We will tell you everything about how to get your new TRU CARD in a few moments. But first, let us tell you about our offer of matching iPhone covers and messenger bags. You can have these limited edition designer print items for just a ten dollar charge when you call 1-900-259-4444. Now, to get your TRU CARD, just circle the call you made on your phone statement and mail it to 3778 Riverside Drive, Burnminster, British Columbia, N8O 2S7. We will send you your very own card and information about your free trip. Accommodation subject to availability. Date blackouts apply. Delivery of card will take four to six weeks."

Four to six weeks was after Nia's boyfriend's birthday, and who even knew if the dates for the trip would work out?

Nia didn't follow through. The only truth about a credit card for people who aren't eligible for credit—is that it's a scam. This scammer just wanted to advertise the other merchandise to Nia, and collect the money for the call.

3. The next page confirmed that Chuck had won, all he had to do to claim the prize was purchase the high quality adapter that would let him use the speakers with his computer. Beware of anything telling you that you've won a prize—especially for contests you didn't enter. They are just ways to sell you a product.

4. Maia had read somewhere about fake job ads on Craigslist, and she thought this didn't sound right. *I shouldn't have to use my own money.*

Maia was right. If a job asks you to use your own bank account or open a new one, or if it asks you to send cash, cheque, or money order, or accept a package and re-ship it, do not respond! These ads are scams.

Unfortunately, Maia did respond to the **phishing**. She might have trouble now with identity theft, since she answered all of the scammer's questions about her personal information.

Glossary

ATM

Automatic Teller Machines where you can use a debit card to withdraw or deposit money

bank statement

a form provided by the bank that summarizes account information

budget

a plan that compares the amount of money a person earns in one month to the amount of money spent. It might also refer to the amount of money set aside for a particular use.

car insurance

an agreement between the insured and the insurance company. The insured pays to purchase coverage for accidents.

credit card

plastic card used to make purchases on credit

credit rating

a detailed record of past borrowing and credit payments

credit

borrowing money and promising to pay it back later

expense

how much money a person spends each month

expenses

all of the ways an individual will spend money in a period of time

fixed expenses

expenses that remain the same for a period of time, for example, a monthly gym membership payment that is always \$20 per month

fuel economy

the comparison of the amount of fuel to travel a specific distance, for example, 10 L/100 km

full-time

working the number of hours deemed 'full-time' by your employer, usually 37.5–40 hours a week. Often includes additional benefits, such as medical and dental coverage.

income

all of an individual's sources of money for a period of time, for example, a pay cheque or allowance

interest rates

annual percentage which when multiplied by your credit card balance equals the interest charge

money personality

the classification of a person's spending habits

NSF cheque

not sufficient funds cheque. This means a cheque was written when the bank account didn't contain enough money to cover it. The person who wrote the cheque, and possibly the person who accepted it, will be charged a fee.

part-time

working less than the number of hours deemed 'fulltime' by your employer. May or may not include additional benefits

phishing

the act of sending an e-mail to a user claiming to be an established legitimate enterprise in order to get the user to give private information that will be used for identity theft

ponzi scheme

an investment scam in which early investors are paid off with money that is given up by later ones, and money is used for the scammers own expenses—with no actual investment being made

pre-authorized bill payment

a payment taken out of your account by the bank, with your permission, and given to a company that you have specified

pyramid scheme

people make payments to the person who recruited them (usually for a sales opportunity), expecting to receive payments from two people whom they will recruit. The returns are given to early participants using money contributed by later ones.

revenue

how much money a person earns each month

rip-off

a business action that is meant to take advantage of others

scam

a business action that is meant to take advantage of others

taxes

an amount of money governments require citizens to pay to cover the government's expenses

variable expenses

expenses that change during a certain period of time, for example eating-out expenses. One month an individual could spend \$20 at restaurants and the next month they might spend \$50.

Researching Skills

Conducting a Research Report

If your assignment is about something you experienced, like your first job, you won't need to research anything. But when you are asked to write about a topic that you don't have all the information about, you'll need to conduct research. Conducting a research report is a skill that involves three steps:

Finding Information

Search Strategy

Find
It

1. Find a Focus

Gather
It

2. Gather Information

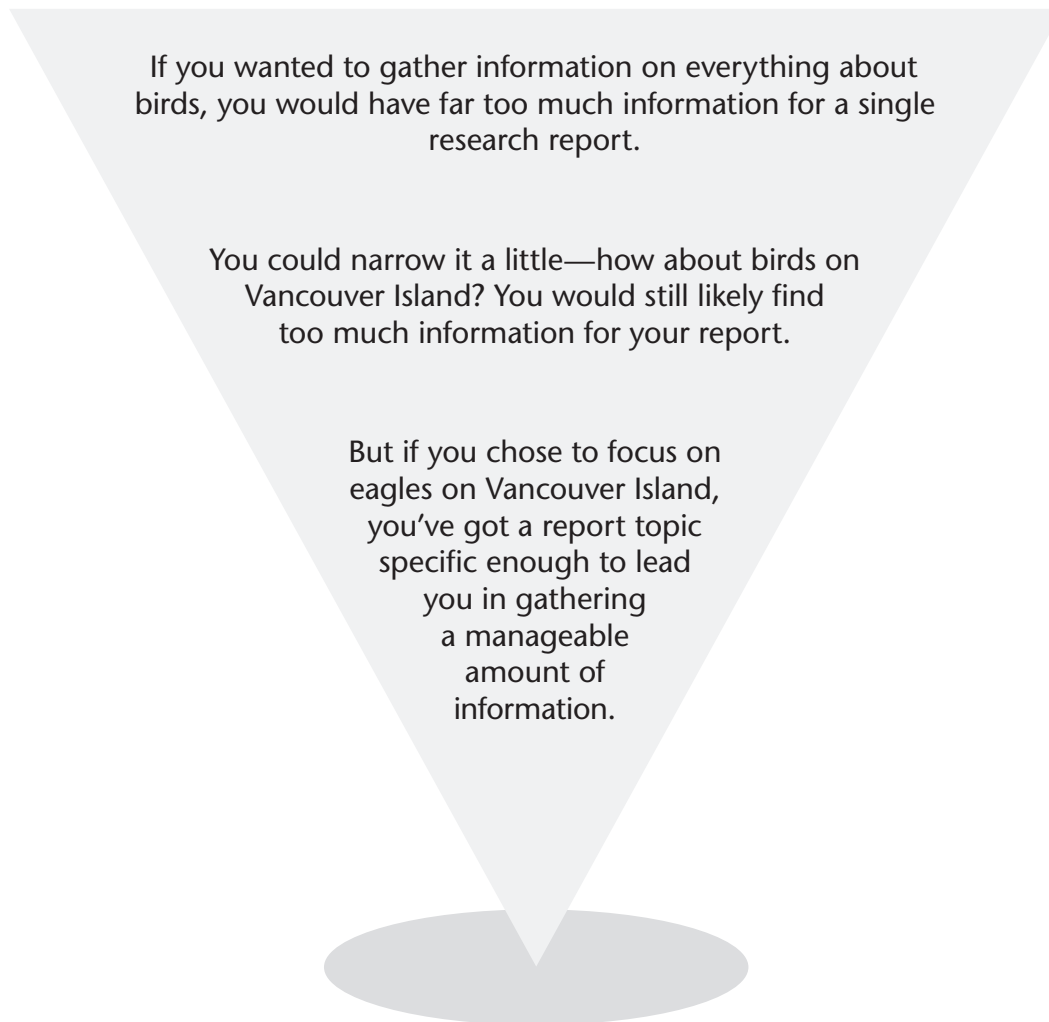
Use
It

3. Use Information



1. Find a Focus

You will want to narrow your topic to something you are specifically interested in.



You can define a research topic by identifying a series of critical or essential questions.

- Which of the topics that I've read about so far have interested me?
- Do I have any personal connection to any of the topics—family, friends, my leisure time activities, and so on that would make the topic more interesting to research?
- Have I studied any of these topics before?
- Do I already know of some resources I can access for any of these topics?

Find a Focus

Getting Clear

- List what you know about the topic and any questions you have.
- Talk about your project with friends and family members.
- Read a couple of articles on your topic. For example, try an encyclopedia or magazine article, or a chapter in a textbook.

Brainstorm

Brainstorm as many aspects of your question or ideas as you can. Then look for themes that may have emerged.

Idea Map

Use an idea map to help generate ideas and direction.

5 W's

Use the 5 W's to narrow down your question.



Whatever you decide, be sure to clearly identify the scope of your research before you get too far into the research process.

2. Gather Information

Before you begin looking for information, ask yourself:

What do I know?

Ask: What do I know about this topic before I look anything up?

List that information in your notebook. There! You have already begun your research.

What do I want to know?

Ask: What information do I want to find out about the topic?

List any questions you have about it.

Remember—the more general your questions, the higher the chance that you will be overwhelmed with information when you begin to do research. Make them as specific as possible.

How am I going to find out?

Break down the process into stages:

- Look at print resources and non-print resources.
- Balance the use of primary and secondary resources (this means first hand and second hand information).
- Take detailed notes from resources.
- Collect bibliographic information from sources.
- Critically analyze sources for quality of material. (Use your critical reading skills)
- Organize and condense notes into a manageable form.

Tips for Gathering Information:

Gather Information

The Internet

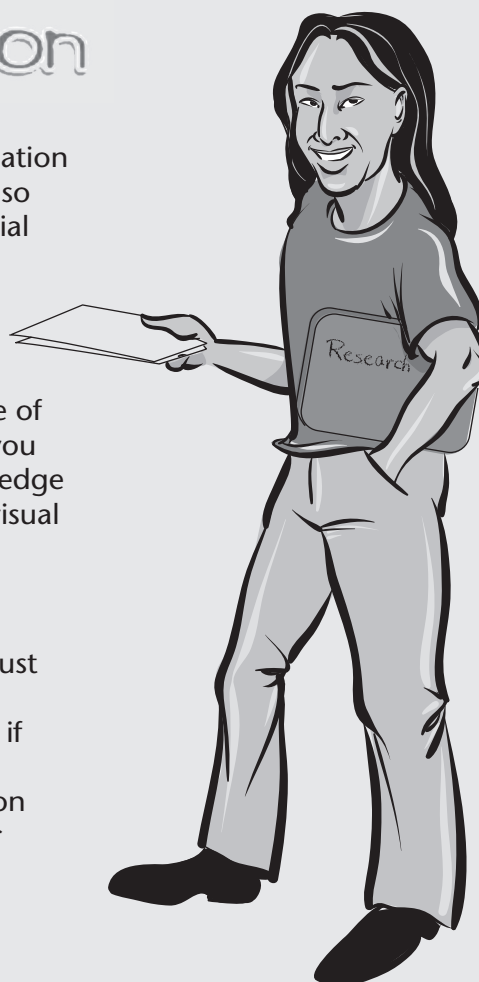
The Internet is a massive collection of information that can be valuable to you, but because it's so large and uncontrolled you need to use special strategies to use it effectively.

Other Sources

Because the Internet is easy to access, you may be tempted to use it as your only source of information on your topic. But in doing so, you could be overlooking some important knowledge that is only available in print or on an audiovisual resource.

Evaluating Information

Not all information is created equally. You must be careful not to think that "just because it's published it must be true." How can you tell if information is reliable? There are some easy questions you can ask yourself. See the section on building critical reading skills here in your *Foundational Skills Package*.



Below is a list of places to find information, and the kinds of information you can look for in conducting your research.

Where and What to Find

Kinds of Information

- books
- articles
- research reports
- government information
- statistics
- maps
- pictures, photos, images
- audio material
- video material
- expert opinion

Location of Information

- personal collections
- school library
- public library
- college or university library
- provided by teacher
- internet
- television
- other

Types of Resources

- books
- magazines
- newspapers
- encyclopedias
- dictionaries
- biographical dictionaries
- directories
- handbooks and manuals
- almanacs
- atlases and gazetteers
- audio/visual, including
 - » cassettes, CDs, videos, DVDs, slides
- microfilm and microfiche
- computer resources,
 - » including software, CD-ROMs, the internet
- interviews

Some more resources:

Libraries:

Your local public library, or school library is a great place to start. They will have some or all of the following:

- useful books you can borrow for free
- databases of articles
- encyclopedias and other reference material on CD or online

Try looking up their collections online, or phone the librarian if you'd like to find out more about possible resources before going to the library yourself. Don't forget your textbook! It may also be a good source of information.

Interviews:

Talking to other people can offer you ideas and perspectives that you may not have considered. Ask people what they think about your topic, and if they say something that you might use in your composition, note their words, the date, and place of the interview. Be sure you've spelled the person's name correctly.

If you know people who have lived the experience of one of the issues, you might want to conduct an interview.

Here's How:

- Ask them if they could speak to you about their experiences.
- Ask a few questions to direct the interview.
- Show the person your composition topic, and listen.
- Jot down notes or use a recorder to help keep a record of their comments.
- Finally, thank the person for sharing his or her story
- Offer a copy of the composition when it is complete.

Don't forget to cite the interview in your list of resources for the composition.

Online/Internet Searching:

If you have access to the Internet, it can be a useful tool for research. Check out the next researching skills, "Searching the Internet Effectively," for tips on the source of information

3. Use of Information

Use Information

Making Notes

You probably have some favourite ways for making notes on information such as writing or diagramming on notepaper, a word processor, or recipe cards, or recording using a tape recorder, video camera, or digital camera. Check out the prewriting section of the *Foundational Skills Package*.

Tracking Sources

There's nothing worse than having a great piece of information and forgetting where you found it. This will mean you can't use it because you're not able to cite its source. You'll need a system for tracking where you found your information right from the beginning. The best approach is to create a proper citation right away. Do this by hand, in an electronic file.

Plagiarism

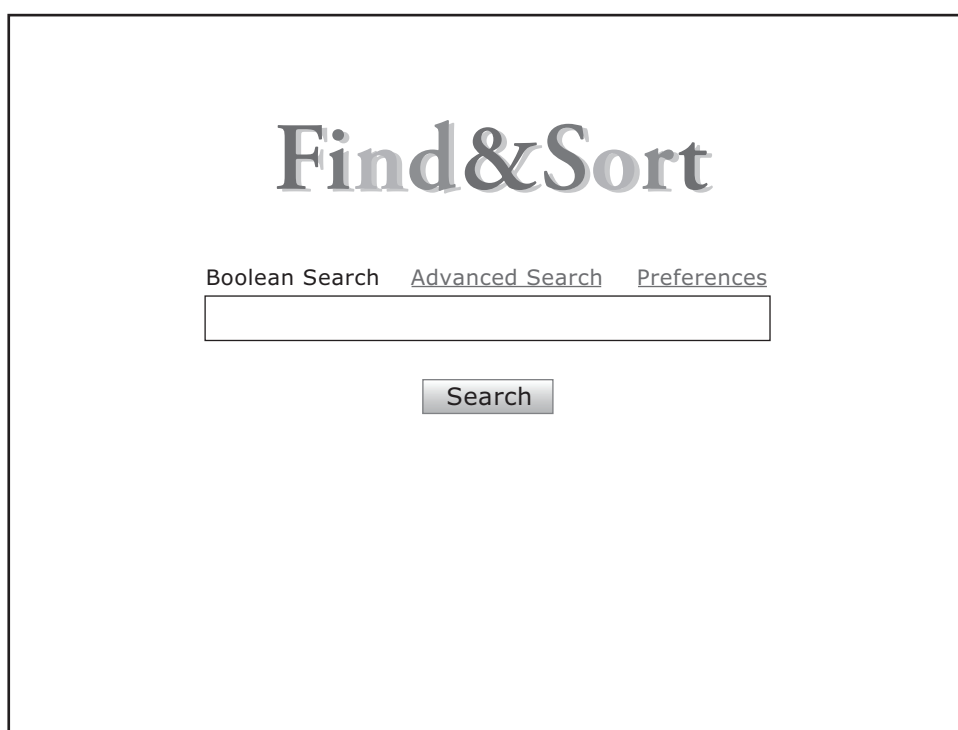
Plagiarism is the copying of original words, images, or ideas of others and using them as your own. It is an offence because people legally own their work. One of the most common—and often unintentional—ways to plagiarize is to cut and paste information into your project and not present it with a citation. It's easy for teachers to catch plagiarism, so don't do it! Instead, put ideas that are useful to you into your own words and cite the source. Or, if there is a particularly useful bit of information, quote it exactly and cite it. This way, you're a winner and so is the original author.

Researching Skills

Searching the Internet Effectively

The following skill is useful not only for searching the Web with a search engine, but also for searching databases or other digital reference material available at your local library, such as Encarta.

Finding and Sorting Information Online

A screenshot of a web search engine interface titled "Find&Sort". The title is in a large, stylized serif font. Below the title are three links: "Boolean Search", "Advanced Search", and "Preferences". The "Advanced Search" link is underlined. Below these links is a long, empty rectangular search input box. Centered below the input box is a button labeled "Search".

Think of finding and sorting information as a mini-research project! You have a question in your mind to which you are seeking an answer. You need to formulate a strategy to find your answer. Say, for example, you want to find out when a movie will be playing this weekend. You realize that you have lost your newspaper schedule, but you are sure there must be a schedule online somewhere. Thank goodness for the Internet! You log on and go to your favourite search engine to find the movie schedule. Too easy!

You enter the search term, “Movie Listings.” That’ll do it, right?!

The screenshot shows the Find&Sort search engine interface. At the top, there are links for 'Boolean Search', 'Advanced Search', and 'Preferences'. The search bar contains the text 'movie listings' and a 'Search' button. Below the search bar, it says 'Web results 1-10 of about 50,250,000'. The first result is 'Moviephone: Homepage - Movies, showtimes, movie' with a description: 'Find movies, movie times, showtimes, theaters, listings, ratings, movie phone, movie pages, dvds, videos, trailers and more... movies.com/ - 50k'. The second result is 'Movie Link — Download movies online' with a description: 'Get the newest movie downloads. Check out the new movie titles and download a free movie. www.movelink.com/ - 26k'. The third result is 'Buy Movie tickets online' with a description: 'Buy movie tickets in advance. No more sold out! ... Find showtimes, for any movie in any theater in the US. Search by theater, ... www.buytickets.com - 45k'.

Not quite . . . Over 50 200 000 results have come up! Now what?

Try “Movies in BC” and you get fewer results until, finally, you type in “Mov Listings” + “Name of your community” + “BC” and there it is—what you need at the top of a very short list.

This is an identical screenshot to the one above, showing the Find&Sort search engine results for 'movie listings'. It displays the search bar, the number of results (about 50,250,000), and the first three search results: Moviephone, Movie Link, and Buy Movie tickets online.

You have just completed a Boolean search!

A Boolean search = a way to combine multiple terms when searching the Internet. You form it like this:

TERM + TERM (where the terms are the key words you want to search)

Example: eagles + “vancouver island”

Remember you can include more than two:

TERM + TERM + TERM

eagles + “vancouver island” + nesting

The advantage of a Boolean search is obvious. You get to the information you need faster and easier. The more specific you can be with your search terms, the more efficiently you will find the information that you are after. And by really thinking through your search terms from a vague beginning to a detailed search, you will find that you have an even better sense of the topic that you are researching.

Note that most search engines have an “advanced search” option that will also allow you to compose a search with many terms. Try this if you wish to have more guidance than you would composing your own Boolean search.

Researching Skills

Evaluating Your Sources

Before you decide to use a source for your project, you need to ask these questions:

Who?

- Who wrote it?
- What are the author's qualifications, if any?
- Did the author include contact information?

What?

- What information did you find?
- Why did the author create it?
- Who is the target audience?
- Is the author being objective or biased?
- Is there any obvious conflict of interest?
- Advertisements?

When?

- When was this source published?
- Is the information current?

Where?

- Where was this information found?
- Is it a reputable source?
- If the source is a Web site, whose site is it?
- What organization sponsors the Web site?

If you are using the Internet (and you should if you have access to it!) remember that searching the Web can be like mining for gold. You have to go through tons of rock to find the gold nuggets!

The Writing Process

A. Paragraph Structure

A paragraph is a collection of sentences that develops one idea.

A **topic sentence** introduces a paragraph and is typically the first sentence in the paragraph. The topic sentence should be limited enough in scope so that it can be adequately developed in six to eight sentences.

Poor Examples:

There are many things that cause cancer.

This topic sentence is poor because it is vague: “many things” is not very specific. The topic is also too broad to discuss in six to eight sentences. In fact, a book could be written on this topic.

The Dixie Chicks won “Record of the Year” at the 2007 Grammy Awards.

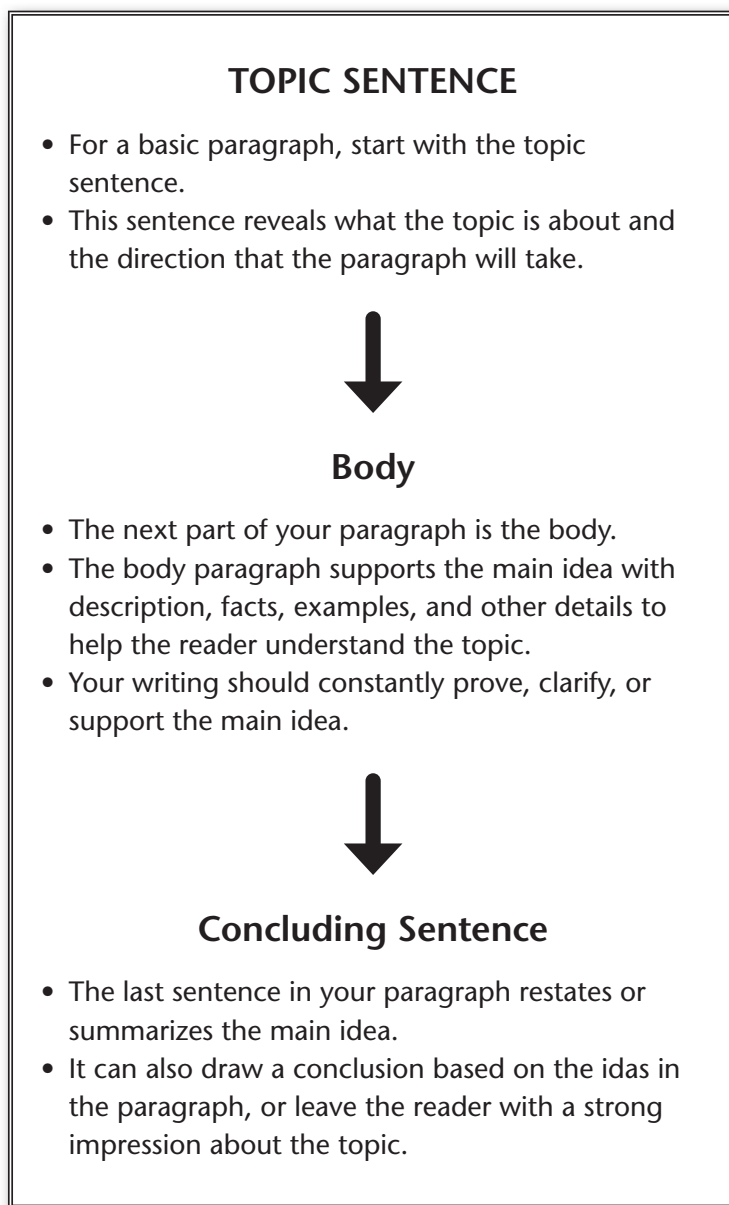
This topic sentence is poor because it is too limited. This is a statement of fact, so requires no further support.

Good Examples:

Friday is the best day of the week to go out for dinner.

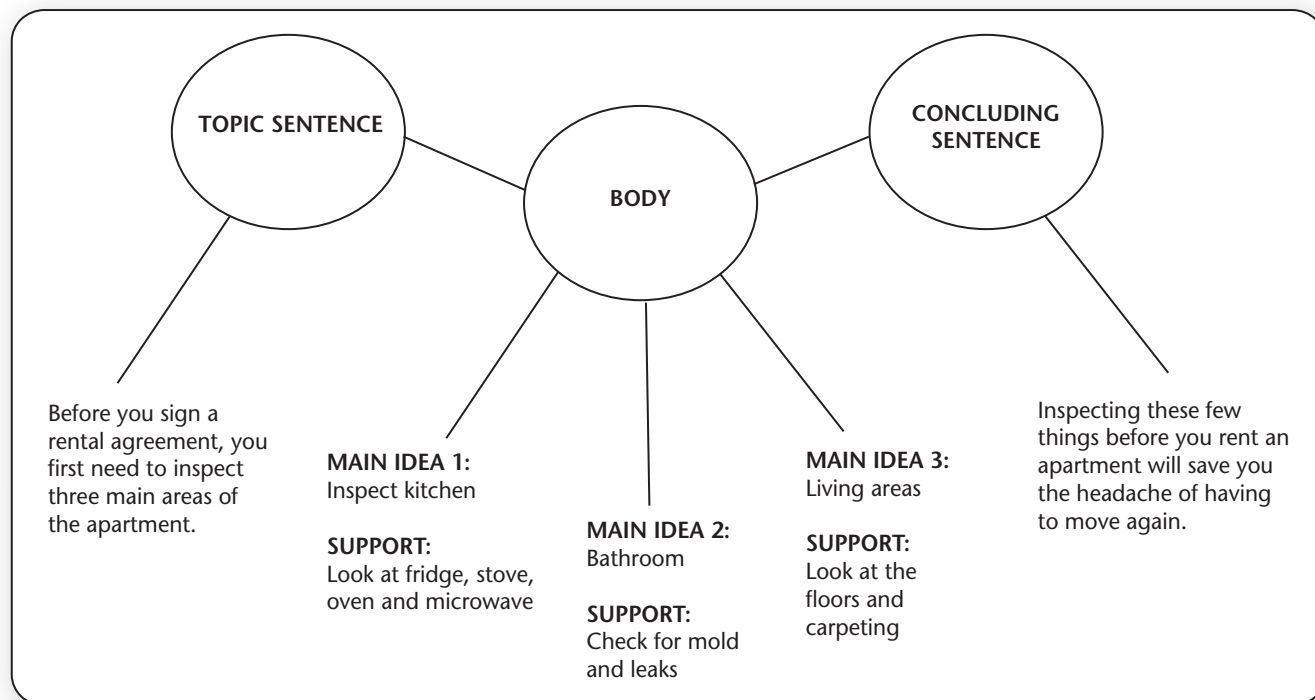
Before you sign a rental agreement, you first need to inspect three main areas of the apartment.

Paragraph Structure:



Writing a paragraph is hard work, but it can be easier if you follow a model and break things down into an outline.

Paragraph Outline:



Paragraph Composed From the Outline:

Apartment Inspection

Before you sign an apartment rental agreement, you first need to inspect three main areas of the apartment. First, you need to turn on the kitchen appliances such as the stove, oven and microwave, to see if they are in good working order. Next, check the bathroom. Take a look at the toilet to see if it is firmly secured to the floor and if there are any leaks. Also look in the bath or shower and make sure it is free of mould. In the living areas, inspect the floors. If there are bare floors, check to see they are clean and undamaged; if the floor is carpeted make sure it is clean—especially if you or your roommates suffer from allergies. Inspecting these few things before you rent an apartment will save you the headache of having to move again.