



## Module 5

# Credit – making it work for you

### OVERVIEW

Module 5 aims to guide students through the purposes, processes, and consequences of acquiring and using credit.

### ENDURING UNDERSTANDINGS

- Borrowing (use of someone else's savings) in one form or another is universal
- Credit needs to be affordable as credit costs are future costs.
- Credit can be convenient and gives individuals the opportunity for immediate access to goods and services
- Credit use demands willingness and the ability to meet payments on a regular basis as debts do not disappear.
- Credit is a contractual relationship and a person's credit reputation and credit history are important.

### LEARNING OUTCOMES

Students:

- Define credit as the power to obtain goods and services with an obligation on the borrower of future payment to the source of credit
- Understand that the finance rate, not interest rates, measures the cost of credit
- Understand the importance of establishing a good credit history
- Make informed decisions about the use of credit
- Become aware of risks and costs of alternate forms of credit
- Recognise the responsibilities and obligations associated with debts
- Understand that credit imposes an opportunity cost on borrowers and lenders
- Recognise that laws protect credit arrangements

### POWER WORDS

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### LIST OF TOPICS

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## Credit – making it work for you

### POWER WORDS

As students work through each topic in this module they will encounter words that may be new to them, crucial to understanding and completing the worksheets, and/or difficult to spell. In addition, students may simply find some of this vocabulary interesting, planning to use it in the future. Understanding and being able to use these words will provide students with more power to make future financial decisions.

There are several approaches to using this “glossary”. The intention is for students to investigate and find the meanings. They could be given the complete list before they start the module, or they could set up a table and add new words as they progress through the activities. There are also specific POWER WORD activities in some topics.

This list is not exhaustive.

Additional Card Holder	Interest, compound
Annual Fee	Interest, simple
Authorised User	Lien
Balance Transfer	Linked Transfer Account
Cash Advance	Loyalty Program
Collateral	Mortgage
Co-Signer	Overdraft
Credit History	Reward Programs
Credit Inquiry	Payday Lender
Credit Rating	Personal Loan
Credit Limit	Preapproval
Cycle Billing	Principal
Debt Consolidation	Promotion Rate
Discharge Fee	Retail Credit
Establishment Fee	Revert Rate
Financial Institution	Revolving Line Of Credit
Impulse Buying	Security
Insurance	Statement
Interest free	Store Card
Interest free period	Void





## CURRICULUM MAPPING

ENGLISH	MATHEMATICS	GENERAL CAPABILITIES
<p><b>LITERACY YEAR 9</b></p> <p><b>Interacting with others</b></p> <ul style="list-style-type: none"> <li>plan, rehearse and deliver presentations, selecting and sequencing appropriate content and multimodal elements for aesthetic and playful purposes (ACELY1741)</li> </ul> <p><b>Interpreting, analysing, evaluating</b></p> <ul style="list-style-type: none"> <li>Interpret, analyse and evaluate how different perspectives of issue, event, situation, individuals or groups are constructed to serve specific purposes in texts (ACELY1742)</li> </ul> <p><b>Creating texts</b></p> <ul style="list-style-type: none"> <li>Create imaginative, informative and persuasive texts that present a point of view and advance or illustrate arguments, including texts that integrate visual, print and/or audio features (ACELY1746)</li> <li>Use a range of software, include word processing programs, flexibly and imaginatively to publish texts (ACELY1748)</li> </ul>	<p><b>NUMBER &amp; ALGEBRA YR 10</b></p> <p><b>Money &amp; financial mathematics</b></p> <ul style="list-style-type: none"> <li>Connect the compound interest formula to repeated applications of simple interest using appropriate digital technologies (ACMNA229)</li> </ul> <p><b>STATISTICS &amp; PROBABILITY YR 9</b></p> <p><b>Data representation &amp; interpretation</b></p> <ul style="list-style-type: none"> <li>Identify everyday questions and issues involving at least one numerical and at least one categorical variable, and collect data directly and from secondary sources (ACMSP228)</li> </ul>	<p><b>LITERACY</b></p> <p><b>Comprehending texts through listening, reading and viewing</b></p> <p>Navigate, read and view learning area texts</p> <ul style="list-style-type: none"> <li>Navigate, read and view a wide range of more demanding subject-specific texts with an extensive range of graphic representations</li> </ul> <p><b>Composing texts through speaking, writing and creating</b></p> <p>Compose spoken, written, visual and multimodal learning area texts</p> <ul style="list-style-type: none"> <li>Compose and edit longer and more complex learning area texts (AC ELY1756)</li> </ul> <p>Use language to interact with others</p> <ul style="list-style-type: none"> <li>Use pair, group and class discussions and formal and informal debates as learning tools to explore ideas, compare solutions, evaluate information and ideas, refine opinions and arguments in preparation for creating texts (ACMSP253)</li> </ul>
		<p><b>NUMERACY</b></p> <p><b>Interpreting statistical information</b></p> <p>Interpret data displays</p> <ul style="list-style-type: none"> <li>Evaluate media statistics and trends by linking claims to data displays, statistics and representative data (ACMSP253)</li> </ul>
		<p><b>INFORMATION &amp; COMMUNICATION TECHNOLOGY CAPABILITY</b></p> <p><b>Investigating with ICT</b></p> <p>Define &amp; plan information searches</p> <ul style="list-style-type: none"> <li>Select and use a range of ICT independently and collaboratively, analyse information to frame questions and plan search strategies or data generation</li> </ul>
		<p><b>CRITICAL &amp; CREATIVE THINKING</b></p> <p><b>Inquiring – identifying exploring &amp; organising information &amp; ideas</b></p> <p>Pose questions</p> <ul style="list-style-type: none"> <li>Pose questions to critically analyse complex issues and abstract ideas (ACELT1812, ACMSP228)</li> </ul> <p><b>Reflecting on thinking and processes</b></p> <p>Think about thinking (metacognition)</p> <ul style="list-style-type: none"> <li>Give reasons to support their thinking, and address opposing viewpoints and possible weaknesses in their own positions (ACELT1640, ACMSP247)</li> </ul>
		<p><b>PERSONAL &amp; SOCIAL CAPABILITY</b></p> <p><b>Self-Management</b></p> <p>Work independently &amp; show initiative</p> <ul style="list-style-type: none"> <li>Establish personal priorities, manage resources effectively and demonstrate initiative to achieve personal goals and learning outcomes (ACELY1756)</li> </ul> <p>Become confident, resilient and adaptable</p> <ul style="list-style-type: none"> <li>Evaluate, rethink and refine approaches to tasks to take account of unexpected or difficult situations and safety considerations (ACELY1757)</li> </ul> <p><b>Social Management</b></p> <p>Make decisions</p> <ul style="list-style-type: none"> <li>Develop and apply criteria to evaluate the outcomes of individual and group decisions and analyse the consequences of their decision making (ACMNA229)</li> </ul>





## CURRICULUM MAPPING

### NCFLF DIMENSIONS

#### Knowledge & Understanding

- Identify and explain strategies to manage personal finances
- Explain how over-reliance on credit can impact on future choices

#### Competence

- Investigate the financial decisions required at significant life-stage events
- Accurately complete and explain the purpose of a range of financial forms, including for online transactions
- Discuss the differences between 'good' and 'bad' debt, including manageability of debt and its long-term impact
- Analyse relevant information to make informed choices when purchasing goods or services and/or to resolve consumer choices
- Compare overall 'value' of a range of goods and services using IT tools and comparison websites as appropriate
- Evaluate marketing claims, for example in advertising and in social media, to influence consumers to purchase a range of goods and services

#### Responsibility & Enterprise

- Explore the economic cost of individual and collective consumer decisions of the broader community and the environment
- Apply informed and assertive consumer decision-making in a range of 'real-life' contexts
- Research and discuss the legal and ethical rights and responsibilities of business in providing goods and services to consumers
- Appreciate that there is often no one right answer in making financial decisions because these depend on individual circumstances, preferences and values
- Understand and explain the legal responsibilities of taking on debt, including the consequences of not paying
- Explain the role of banks and other deposit-taking institutions (such as building societies and credit unions) in collecting deposits, pooling savings and lending them to individuals and business
- Demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making

