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## US 28092 Riding Life's Waves



# Student Assessment

**Student name:**

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**NSN number:**

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**Date (DD/MM/YYYY):**

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LEVEL

2

CREDITS

3

THEMES

Retirement Savings  
KiwiSaver Goals  
Managing my money  
Insurance

NZQA QAAM  
# 3179

# Explain the effect of significant life events on personal income at different life stages

Version: 4 | Level 2 | Credits: 3

## Assessment activity



This assessment requires you to analyse the effect of significant life events on personal financial income at different life stages.

This assessment has **one task**.

You will be assessed on how well you:

- explain the reasons why personal income may change for each life stage. Life stages may include: post-secondary, family and career building, retirement
- explain a significant life event for each life stage in terms of its effect on personal income and a potential solution to minimise or maximise the effect. Evidence of one significant life event for three life stages is required.

## Award of grades

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For at least <b>two</b> of the life stages (post-secondary, family and career building, retirement), you need to:</p> <ul style="list-style-type: none"> <li>• explain the reasons why personal income may change for each life stage. Life stages may include - post-secondary, family and career building, retirement</li> <li>• explain a significant life event for each life stage in terms of its effect on personal income and a potential solution to minimise or maximise the effect.</li> </ul> <p>Evidence of one significant life event for three life stages is required.</p>	<p>As well as meeting the requirements for Achievement, for each of the <b>three</b> life stages, you need to:</p> <ul style="list-style-type: none"> <li>• explain with examples of how the consequences of significant life events on personal income at different life stages can have positive or negative effects.</li> </ul>	<p>As well as meeting the requirements for Merit, for each of the <b>three</b> life stages, you need to:</p> <ul style="list-style-type: none"> <li>• explain with justification of the suitability of potential solutions to minimise or maximise the effect of significant life events on personal income at different life stages.</li> </ul>

## Conditions of assessment

This is an **open book assessment**. Your teacher will let you know what learning materials, work, and resources you can access to help you complete the assessment tasks. Answers must be in your own words.

Your teacher will provide you with information regarding timeframes for this assessment and options for presenting your responses.

## Task

In this task, you will be presented with three scenarios, each with two parts. For each scenario, you need to describe:

- at least one source of personal income; **and**
- at least one reason that personal income might change at this life stage.

Each scenario includes a significant life event. You need to explain:

- the effect of the significant life event on personal income; **and**
- how the consequences of the significant life event can have positive or negative effects on personal income at different life stages; **and**
- justify a potential solution to minimise or maximise the effect of a significant life event on personal income at the **three** life stages.

### Scenario 1: Post-secondary stage

Read each part of the scenario and answer the questions that follow.

#### Part 1:

Atamai has just finished school and will soon be starting university to study full time a Bachelor of Business. When Atamai was at school, she was working part time at an Accountant's office doing payroll and she has the option to continue with this job once she starts University. She currently is living at home with her mum and two younger brothers, who she loves to look after when her parents are working. She often has to contribute to the household financially but still manages to socialise with her friends on a weekly basis. Atamai was given a car for her 18th birthday and enjoys driving.

- Explain one source of personal income for Atamai.
- Explain one reason that Atamai's personal income might change at this life stage.

#### Part 2:

Atamai has decided to leave home and go to the Halls of Residence at Waikato University.

- Explain an effect on Atamai's personal income with her leaving home and going to live in the Halls of Residence.

d) Explain the positive and negative consequences on Atamai's personal income with her deciding to leave home and go to the Halls of Residence.

Positive consequences	Negative consequences

e) Explain two ways that Atamai can minimise or maximise the effect on her personal income with her living in the Halls of Residence. Justification of Solution A:

Solution A:

Solution B:

f) Justify the two solutions you have suggested for Atamai, explaining how they will improve her financial situation.

Justification of Solution A:

Justification of Solution B:

## Scenario 2: Family and career building stage

Read each part of the scenario and answer the questions that follow.

### Part 1:

Jessica and Michael have two children under five. They are looking to purchase their family home. Jessica has been working full-time for several years and Michael works part-time.

- a) Explain one source of personal income for Jessica **or** Michael.
  
  
  
  
  
  
  
  
  
  
- b) Explain one reason that Jessica **or** Michael's personal income might change at this life stage.

### Part 2:

Unfortunately, Jessica recently injured her back and will be off work for at least six months. Jessica and Michael have around \$5000 in emergency savings.

- c) Explain how Jessica's back injury might impact on Jessica or Michael's personal income.
  
  
  
  
  
  
  
  
  
  
- d) Explain the positive and negative consequences on Jessica's or Michael's personal income with Jessica injuring her back.

Positive consequences	Negative consequences

- e) Explain two ways that Jessica and Michael can minimise or maximise the effect on their personal income of this injury.

Solution A:

Solution B:

- f) Justify the two solutions you have suggested for Jessica and Michael, explaining how they will improve their financial situation.

Justification of Solution A:

Justification of Solution B:

### Scenario C: Retirement stage

Read each part of the scenario and answer the questions that follow.

#### Part 1:

Barbara is in her late 60s and has two children and four grandchildren who all live in Australia.

- a) Explain one source of personal income for Barbara.
- b) Explain one reason that Barbara's income might change at this life stage.

#### Part 2:

Barbara's partner recently passed away, leaving her his life insurance policy. She currently lives in the family home but is wondering whether it will become too large to manage on her own and would really like to be able to visit her children and grandchildren more regularly.

- c) Explain the effect on Barbara's personal income with the loss of her partner.

d) Explain the positive and negative consequences on Barbara's personal income if she decides to visit her children and grandchildren more regularly.

Positive consequences	Negative consequences

e) Explain two ways that Barbara can minimise or maximise the effect on her personal income if she decides to change her living arrangements in retirement.

Solution A:

Solution B:

f) Justify the two solutions you have suggested for Barbara, explaining how they will improve her financial situation.

Justification of Solution A:

Justification of Solution B:

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