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## US 28104 Impact on Personal Finances



## Student Assessment

**Student name:**

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**NSN number:**

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

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LEVEL

**3**

CREDITS

**3**

THEMES

Goals

Managing my money

NZQA QAAM

**# 3203**

# Analyse external risk factors and select strategies to manage their impact on personal finances

Version: 3 | Level 3 | Credits: 3

## Assessment activity



This assessment requires you to analyse external risk factors and select strategies to manage their impact on personal finances.

The assessment activity has **one task**.

You will be assessed on how well you:

- analyse external factors (global, national and regional) in terms of their impact on personal finances
- select, explain and justify strategies to manage the impact of external risk factors (global, national and regional) on personal finances.

## Award of grades

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>You need to:</p> <ul style="list-style-type: none"> <li>• analyse three different external factors – one global, one national and one regional factor – that impact on personal finances</li> <li>• select strategies to manage the impact of external risk factors on personal finances – three different strategies – one global, one national and one regional factor.</li> </ul>	<p>As well as meeting the requirements for Achievement, you need to:</p> <ul style="list-style-type: none"> <li>• explain the selected strategies to manage the impact on personal finances.</li> </ul>	<p>As well as meeting the requirements for Merit, in your comparison of the two study funding options, you must:</p> <ul style="list-style-type: none"> <li>• justify the same strategies used at Merit to manage the impact of external risk factors on personal finances.</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 task. 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.

## Resources

- Te whai hua - kia ora: [Māui Rautaki Māui Auaha Māui Haututū](#)
- Te whai hua - kia ora: [Ngā Rauemi Pouako](#)
- Sorted Your Independent Money Guide <http://www.sorted.org.nz>
- Bamzonia Personal Financial Education, <http://www.bamzonia.co.nz>
- Te Ara Ahunga Ora Retirement Commission, <https://retirement.govt.nz/>
- Interest.co.nz - <http://www.interest.co.nz/>
- Ministry of Business, Innovation & Employment - <http://www.mbie.govt.nz/>
- [Te Puni Kōkiri - Māori Housing](#)
- NZX Markets - <https://www.nzx.com/>
- Reserve Bank of New Zealand - <http://www.rbnz.govt.nz/>
- Statistics New Zealand - <http://www.stats.govt.nz/>
- Local Government - <https://www.lgnz.co.nz/local-government-in-nz/>

## Scenario: And it fires the fire, which makes it official again!

Mia is actively involved in the work of her marae, community and iwi. Mia's contribution to the ongoing development of her people is widely acknowledged and she is regarded by many as a 'wahine marae'. She has \$5,000 in penapena and manages her own share portfolio on the NZ Stock Exchange. Mia has also contributed to her KiwiSaver for the last 5 years.

Mia's iwi, Ngāti Mana Motuhake, has just settled the claims they brought forward to be heard by the Waitangi Tribunal. Their fight with the Crown for the injustices that their people suffered had been going on for 25 years before they settled.

With her work experience and interests in environmental and financial sustainability, Mia has begun to develop a business model to support iwi work through building their financial strategies and building sustainable practices in their own rohe. Essentially, this will see Mia move into self-employment where she can contract her services to others. Mia needs to develop and maintain financial security and build her savings, investment and financial sustainability. Her aspiration and intention is to build a papa kāinga where her whānau have a tūrangawaewae.

In order for Mia to have a successful business she needs to consider factors at regional, national and global levels that have the potential to impact on her personal finances.

Mia is well placed to learn more about how external factors will impact on her personal finances being self-employed but also make parallels to how these factors might impact other individuals in her whānau and iwi who have ambitions to become self-employed and self-sufficient.

## Task

There are 3 questions to be answered in this assessment task. You must select and explain one global, one national and one regional external risk factor (from those listed below) that could potentially impact the financial wellbeing of Mia and her whānau. You also must select a strategy to manage the impact of the external risk factor (from those listed below) on Mia and her whānau's personal finances.

## Appendix A - External risk factors

- International events
- Pandemics
- Interest rate changes
- Inflation
- Economic environment changes
- Employment issues
- Societal trends
- Demographic trends
- Climatic change
- Political change
- Policy change
- Environmental issues
- Legislation
- Natural disasters
- Man-made disasters or events
- Technological and digital developments
- Transport development

## Appendix B - Strategies

- Income protection
- Life insurance
- Health insurance
- House insurance
- Contents insurance
- Motor vehicle insurance
- Online cyber-security
- Property security and alarm systems
- Diversification of investment and personal savings portfolio

### 1. External global risk factor

- a) Using **Appendix A** - What is the external global risk factor you have chosen?
- b) Write a short description of that global risk factor.
- c) Explain the potential impact of this risk factor on Mia's personal finances.
- d) Using **Appendix B** - Select one strategy to manage the impact of this risk factor.
- e) Explain how this strategy would manage the impact on Mia's personal finances.

f) justify how this strategy would manage the impact on Mia's personal finances.

## 2. External national risk factor

a) Using **Appendix A** - What is the external national risk factor you have chosen?

b) Write a short description of that national risk factor.

c) Explain the potential impact of this risk factor on Mia's personal finances.

d) Using **Appendix B** - Select one strategy to manage the impact of this risk factor.

e) Explain how this strategy would manage the impact on Mia's personal finances.

f) justify how this strategy would manage the impact on Mia's personal finances.

## 3. Regional risk factor

a) Using **Appendix A** - What is the external regional risk factor you have chosen?

b) Write a short description of that regional risk factor.

c) Explain the potential impact of this risk factor on Mia's personal finances.

d) Using **Appendix B** - Select one strategy to manage the impact of this risk factor.

e) Explain how this strategy would manage the impact on Mia's personal finances.

f) justify how this strategy would manage the impact on Mia's personal finances.

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[sortedinschools.org.nz](http://sortedinschools.org.nz)

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