

## **ELECTIVE MODULE FOR NORMAL (TECHNICAL) STUDENTS**

Module Title: Essentials of Personal Finance

Duration: 30 hours  
(15T 15P)

Pre-requisite: Nil

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### **Aims of Module**

To develop an understanding of the basic concepts of cash flow management, future values of cash and basic investment principles amongst the students so that they would be able to make informed and appropriate choices in savings and investments in order to realise their personal financial goals

### **Learning Outcomes**

At the end of the module, students will be able to:

- (a) Prepare an income statement, identifying personal assets, liabilities, income and expenses and net worth;
- (b) Choose an appropriate investment by applying the principles of compounding, computing the values of present and future values and taking into consideration the all relevant factors in choosing the investment;
- (c) Select credit facilities by applying the techniques of effective debt management, and sourcing for consumer credit; and
- (d) Select savings and protection plans via applying the knowledge gained in the module.

### **Module Outline**

Students are introduced to some basic concepts of cash flow management, the future values of cash and basic investment principles. On completion of the module, students would be able to make appropriate choices in savings and investments to realise personal financial goals.

### **Outline of Module Syllabus**

Item	Technical Skills / Knowledge	Theory	Practical
1	<b>Cash Flow Management</b> Explain how cash flow is managed <ul style="list-style-type: none"><li>• State the importance of cash flow management</li><li>• Prepare an income statement for recording income and expenses</li><li>• Define assets, liabilities and net worth</li><li>• Prepare a net worth statement</li></ul>	2	5
2	<b>Present &amp; Future Values</b> Apply the principle of compounding. <ul style="list-style-type: none"><li>• Distinguish between a lump sum and an annuity</li><li>• Compute the present and future value of a lump sum</li></ul>	1	2

3	<p><b>Investment</b>  Explain the factors to consider when investing.</p> <ul style="list-style-type: none"> <li>• State the reasons for investing</li> <li>• Identify the factors to consider for investing <ul style="list-style-type: none"> <li>- Investment objectives</li> <li>- Investment horizon</li> <li>- Level of risk tolerance</li> </ul> </li> </ul>	4	2
4	<p>Explain the various types of investments and their advantages and disadvantages</p> <ul style="list-style-type: none"> <li>• Fixed deposits,</li> <li>• Stocks</li> <li>• Life insurance</li> <li>• Property.</li> </ul>		
5	<p>Explain the key strategies in choosing an investment</p> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Diversification</li> <li>• Active and passive strategies</li> </ul>		
6	<p><b>Techniques of Debt Management</b>  Outline the importance and techniques of debt management  Different types of loans</p> <ul style="list-style-type: none"> <li>• How to obtain Credit facilities and sources of consumer credit</li> <li>• Purpose of using credit and its disadvantages</li> </ul>	2	1
7	<p><b>Insurance</b>  Explain the concepts, types and purpose of buying life insurance.</p> <ul style="list-style-type: none"> <li>• Basic concepts of life and general insurance</li> <li>• Different types of life insurance policies</li> <li>• Reasons &amp; benefits of buying life insurance</li> </ul>	2	1
8	<p><b>Central Provident Fund (CPF)</b>  Explain the concept and purpose of CPF</p> <ul style="list-style-type: none"> <li>• Purpose of CPF</li> <li>• Ordinary Accounts. Special Accounts and Medisave Account</li> <li>• CPF nomination</li> <li>• CPF Education Scheme.</li> </ul>	2	1
8	<p>Revision and assessment</p>	2	
	<p>Total</p>	15	15

### **Teaching and Learning Approaches**

Lesson delivery would incorporate different methods in order to interest the students and to give them the necessary hands on practices. There would be hands on sessions to assess relevant web sites in the computer laboratory, discussions and group work and presentation, suited to the level of the N Tech students.

### **Completion Criterion**

Students are required to take an end of module test upon completion of the module. The test duration is 1 hour, comprising MCQ & short questions.

### **Target Audience**

Sec 3 /4 N T students

### **Class Size**

20 students per class

### **Duration**

30 instructional hours

### **Certification**

ITE Certification of Attendance will be issued upon successful completion of the course. ITE Certificate of Achievement will be issued upon students meeting the assessment criteria.