SOUTH AFRICAN QUALIFICATIONS AUTHORITY
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SOUTH AFRICAN QUALIFICATIONS AUTHORITY

NATIONAL QUALIFICATIONS FRAMEWORK

Established in terms of Act 58 of 1995

In accordance with regulation 24(c) of the National Standards Bodies Regulations of 28 March 1998, the Standards Generating Body (SGB) for

Financial Services

Registered by NSB 03, Business, Commerce and Management Studies, publishes the following unit standards for public comment.

This notice contains the titles, fields, sub-fields, NQF levels, credits, and purposes of the qualifications, and the titles and specific outcomes of the unit standards upon which qualifications are based. The full qualifications and unit standards can be accessed via the SAQA web-site at www.saqa.co.za. Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, 659 Pienaar street, Brooklyn, Pretoria.

Comment on the unit standards should reach SAQA at the address ***below and no later than 18 January 2002.*** All correspondence should be marked **Standards Setting – SGB for Fiancial Services** and addressed to

The Director: Standard Setting and Development
SAQA
Attention: Mr. D Mphuthing
Postnet Suite 248
Private Bag X06
Waterkloof
0145
or faxed to 012 – 482 0907

pp **SAMUEL B.A. ISAACS**
EXECUTIVE OFFICER

FUNDAMENTAL FINANCIAL LITERACY UNIT STANDARDS LEVEL 2

TITLE: **Investigate credit in own circumstances**

FIELD: Business, Commerce and Management Studies

SUB FIELD: Financial Services – Insurance: Financial Literacy

PURPOSE:

This unit standard provides a broad introduction to the real cost of credit. It is one of a series of unit standards on financial literacy intended to empower learners to manage their own finances responsibly. The focus is knowledge, skills, values and attitudes in relation to the learner's own context.

The qualifying learner is capable of

- Understanding the different kinds of credit available and the implications of credit contracts.
- Researching the cost and possibility of credit in relation to a home loan.
- Identifying the impact of credit on the purchase of household and personal items and how the use of credit adds to the cost of an item.
- Making an informed decision on whether or not to purchase goods on credit.
- Understanding a contract installment sale agreement.
- Making a decision about what goods should/should not be purchased on credit.
- Understanding the danger of becoming caught in a debt spiral.

LEARNING ASSUMED TO BE IN PLACE:

There is open access to this unit standard. Learners should

- Hold a GETC or equivalent qualification. Or
- Be competent in communication and mathematical literacy NQF level 1.

SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:

Specific Outcome 1: **Discuss the different types of credit available to an individual in own situation and the basic principles and legal implications of credit contracts.**

Assessment Criteria

1.1 An indication is given of when credit is a possible solution.

1.2 The dangers of borrowing on a regular basis are explored in terms of the debt spiral.

1.3 The benefits of credit are compared and contrasted to those of saving and purchasing for cash.

1.4 The benefits and costs of credit are outlined with reference to personal experience.

1.5 The mathematical calculation of compound interest is demonstrated in the context of the cost of credit.

1.6 The concept of *interest rates* is explored and an indication given of the impact of the length of the repayment period on the final cost of an item.

1.7 Loan repayment time periods are discussed in the light of possible life changing circumstances.

1.8 The legal responsibilities and rights of both the consumer and the supplier are explained with reference to common contracts.

1.9 The concept of *surety* is demonstrated with reference to the legal obligations of all parties involved.

Specific Outcome 2: Research the cost of credit involved in buying a property / home.

Assessment Criteria

2.1 Criteria for qualification for a first time home owner's grant or other government assistance are listed in a checklist.

2.2 The amount needed as a deposit is calculated and added to the checklist.

2.3 The effect of the amount of the deposit on the monthly repayment is calculated at the current rate of interest.

2.4 The percentage of salary/wage/remuneration allowed as a monthly deduction is established, calculated for own salary and added to the checklist.

2.5 A decision is made about a location of choice for a home and the prices of homes in the area are investigated using newspapers, flyers and other a dvertising media. The information is added to the checklist.

2.6 Interest charged on a bond is investigated for three institutions that offer home loans.

2.7 The monthly cost of a bond repayment is calculated for a selected property at the rates quoted by the three institutions.

2.8 The hidden costs in buying a home are investigated and added to the checklist.

2.9 The implications and consequences of missing a monthly payment are explained for one month, several consecutive months and an extended period.

2.10 Reasons are given to explain why repayment of a bond should be a priority when a homeowner has spare funds available.

2.11 The effect on a bond of making both early and late payments is explained and a decision is made as to when it is best to make a monthly repayment.

2.12 The impact that an increase in interest rate would have on a bond repayment is calculated for five different rates.

2.13 The impact that an increase in monthly repayment would have on reducing the bond amount and in consequence saving on interest is investigated for monthly repayments of five different amounts.

2.14 Ways of rescheduling debt on a home loan are investigated and the effect on the final cost of the home is calculated.

2.14 The overall cost of a property at the current rate of interest is calculated over a period of 20 years.

Specific Outcome 3: Research the cost of credit on household items.

Assessment Criteria

3.1 Five household items are selected and the cost of each if bought for cash, on contract installment sale over 6 months, 12 months and 24 months and presented in a table.

3.2 The consequences of not paying an account on time are explained for a credit card, retail store account and money from a microlender.

3.3 The possible life span of each item is estimated and a decision is made as to whether it is better to buy on credit or pay cash.

3.4 The hidden costs of buying on credit are investigated for household goods.

Specific Outcome 4: Research the cost of credit on clothing and consumable goods.

Assessment Criteria:

4.1 The concept of *revolving credit* is explained with examples.

4.2 The life span of ten items of clothing or consumable goods is estimated and the dangers and disadvantages of buying such items on credit are discussed.

4.3 A set of rules for buying clothing and consumable goods on credit is compiled for use in own life decisions.

4.4 The possible advantages and disadvantages of having more than one store card/account are discussed and personal measures to use cards/accounts responsibly are suggested for own financial situation.

Specific Outcome 5: Investigate the options for financing a vehicle.

Assessment Criteria:

5.1. The different ways of in which you can finance a vehicle are named and an indication given of the implications of each method of payment.

5.2. The requirements for comprehensive insurance are explained with reference to the method of purchase.

5.3. The effect of depreciation on the value of the vehicle is examined in relation to the value of a vehicle as an investment at the end of the payment period.

5.4. Additional costs involved in running and maintaining a vehicle are investigated and an indication given of how this impacts on an individual's provision for vehicle financing.

5.5. The need for additional insurance if a vehicle is financed is explained with reference to the potential risk if the vehicle does not survive the installment term.

ACCREDITATION AND MODERATION:

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by INSQA or a relevant accredited ETQA. The mechanisms and requirements for moderation are contained in the document obtainable from INSQA, *INSQA framework for assessment and moderation.*

RANGE STATEMENT:

The typical scope of this unit standard is

1. Hidden costs in purchasing a home include lawyers fees, transfer costs, removal costs, bond insurance, deposits for electricity and water, rates, telephone installation, additional electrical connections, etc.
2. Hidden costs of buying on credit include cost of cheques, debit orders or other methods of monthly payment, insurance.

3. Credit includes credit cards, store cards, accounts, money obtained from microlenders.
4. Types of credit providers include bank loans, micro lenders, opening an account at a retail store, doctor's accounts, and Installment Sale contracts or credit agreements and credit cards.
5. Consequences of not meeting fixed payments are judgements against name, eviction, repossession and blacklisting.
6. Ways of financing a vehicle include lease, installment sale, building in a residual and cash.
7. Revolving credit limit includes credit at a retail store or on a credit card.

NOTES:

- **CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES:**

This unit standard supports in particular, the following critical cross-field outcomes at unit standard level:

1. The learner is able to identify and solve problems and make decisions relating to the use of credit in his/her own life by understanding the consequences of buying on credit.
2. The learner is able to collect, organise and critically evaluate information by investigating avenues of credit, calculating the effects of varying interest rates and ensuring credit options meet his/her own specific needs.
3. The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and written presentations when explaining the terms of the contract or contract installment sale and the rights and responsibilities of the supplier and purchaser under the contract.
4. The learner is able to organise and manage him/herself by undertaking personal financial planning.
5. The learner is able to collect, organise and critically evaluate information relating to credit options.
6. The learner is able to use science and technology effectively and critically when using a calculator to calculate interest and the cost of credit.
7. The learner is able to demonstrate an understanding of the world as a set of related systems by recognising how irresponsible decisions about the use of credit impact negatively on his/her own life.
8. The learner is able to participate as a responsible citizen in the life of local, national and global communities by beginning to understand the debt spiral and making personal decisions to keep out of debt.

FUNDAMENTAL FINANCIAL LITERACY UNIT STANDARDS LEVEL 2

TITLE: **Use a personal budget to manage own money.**

FIELD: Business, Commerce and Management Studies

SUB FIELD Financial Services – Insurance: Financial literacy

PURPOSE:

This unit standard provides a broad introduction to constructing and managing a personal budget. It is one of a series of unit standards on financial literacy intended to empower learners to manage their own finances responsibly. The focus is knowledge, skills, values and attitudes in relation to the learner's own context.

The qualifying learner is capable of

- Tracking and categorising own current expenses.
- Compiling a plan to get the most for one's money.
- Using a personal budget to manage own money.
- Implementing a savings plan as part of one's budget.

LEARNING ASSUMED TO BE IN PLACE:

There is open access to this unit standard. Learners should
- Hold a GETC or equivalent qualification. Or
- Be competent in communication and mathematical literacy NQF level 1.

SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:

Specific Outcome 1: **Record and analyse current spending patterns**

Assessment Criteria:

1.1 The difference between needs (essential goods and services) and wants (discretionary goods and services) is explored in relation to own situation.

1.2 The difference between fixed and variable costs is explained and examples given from own experience.

1.3 The results of a record kept of own variable expenses over a three-month period is presented, and the monthly amount of each item is calculated as an average.

1.4 Own expenditure is categorised into commonly recognised sets.

1.5 An analysis is made of own spending as to which items are fixed essential, variable essential and discretionary.

1.6 The results of a record kept of own discretionary expenses over a three month period is presented and the percentage calculated of total expenditure that is discretionary.

1.7 Discretionary expenses and their percentage of total monthly expenses are discussed with a view to distinguishing between reasonable and unreasonable spending amounts and possible alternative uses of these amounts.

1.8 The concept of *opportunity cost* is explained in terms of what you gain or loose as a result of making a financial choice.

Specific Outcome 2: Take control of own finances and get the most for one's money.

Assessment Criteria

2.1 Practical ways in which a person can take control of his/her money affairs are listed in terms of a budget, saving costs and additional sources of income.

2.2 The concept of *discretionary payments* is explained and used to show how one can make additional money available for fixed and variable costs.

2.3 Evidence is provided of a comparison between one's estimated and actual costs of at least three items of monthly expenditure.

2.4 The implications of variance between estimated and actual costs are discussed with reference to own experience.

2.5 The concept of *variance* is explained with reference to the difference between own estimated and actual costs.

2.6 The dangers of impulse buying are illustrated for authentic situations.

2.6 The difference between short, medium and long-term planning is discussed with reference to own circumstances.

2.7 A list is made of steps to be taken if you have a complaint about a product, service or violation of consumer rights.

2.8 The concept and the consequences of being listed by a credit bureau are explained and an indication is given of how a person can avoid or rectify being listed.

2.9 The likelihood of winning or making money easily on games of chance is explored and the chance of winning is estimated based on current known payouts.

2.10 A list is compiled of the kind of people who can offer advice on making financial decisions.

2.11 The consequences of taking financial advice from an unqualified or incorrectly informed person are described with reference to case studies.

2.12 The rights of the consumer are named and explained as they apply in the South African context.

Specific Outcome 3: Recognise the need to save as part of personal financial management.

Assessment Criteria:

3.1 The fact that financial needs change over time is discussed and examples given from own experience.

3.2 The need to plan for future financial needs is recognised, and examples given of own likely short, medium and long-term financial needs.

3.3 Own essential medium term needs are prioritised, and a savings plan is developed to meet the two most important of these needs.

3.4 Provision is made in own budget for short, medium and long-term needs.

3.5 An analysis is made to determine how spending can be reduced in order to free money for savings.

Specific Outcome 4: Compile a personal budget for the next three months, to manage own money.

Assessment Criteria:

4.1 The need to plan and manage expenses is discussed with regards to meeting current and possible future responsibilities.

4.2 The monthly income for a household is calculated based on total income from all the economic activities of the household.

4.3 The total of all deductions, including tax, is calculated and deducted from the income.

4.4 Monthly fixed payments are calculated for own budget.

4.5 Items of income, and fixed, variable and discretionary payments are summarised in categories in own personal budget.

4.6 Daily, weekly and annual income and expenses are converted to monthly expenses in order to complete a budget.

4.7 A decision is made and an action plan drawn up to balance own income and expenditure by reducing expenditure or increasing income.

4.8 A household budget for the next three months is compiled using the standard format.

4.9 Actual expenses for one month are compared to the budget for the same month, and the reasons are explained for any variance.

4.10 Possible unexpected occurrences are listed and their financial consequences discussed, with reference to own circumstances.

4.11 A reasonable amount of saving for unexpected events is included in one's own budget.

4.12 Unexpected changes to one's income or expenditure are considered and decisions are made about how to adapt the budget to accommodate such changes.

ACCREDITATION AND MODERATION:

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by INSQA or a relevant accredited ETQA. The mechanisms and requirements for moderation are contained in the document obtainable from INSQA, *INSQA framework for assessment and moderation.*

RANGE STATEMENT:

The typical scope of this unit standard is

- Ways of controlling own money affairs include budgeting, saving costs, and investigating additional sources of income.
- Monthly income is based on own salary, part time income, combined income of other members of the household, sideline businesses, rent from lodgers, provision of transport to non-family members, etc.
- Fixed payments include rent, home and car loan repayments, installment sale repayments, rates and taxes, transport to work or school, lease agreements, school fees, TV and car licenses, medical aid and union contributions.
- Variable expenses include transport, groceries, meat, electricity and water, telephone, repairs and maintenance, medical expenses, bank charges, interest on loans and store accounts.
- Discretionary expenses include all items not included in *fixed* or *variable* categories.
- Commonly recognised categories of expenditure include the total of all items listed under fixed, variable and discretionary expenses.
- Structure for budget includes rows indicating items within fixed and variable income and expenditure, totals and subtotals of income and expenditure, and columns indicating predicted and actual costs.
- Commonly used sets for summarising expenses include transport, rent, school fees, loan repayments, saving policies, insurance policies, rates and taxes, water and electricity, TV license, groceries, medical expenses, savings for the unforeseen, etc.
- Short-term needs include those needed within the next six months.
- Medium term needs include those needed between six months and 5 years
- Long-term needs include those needed beyond 5 years.
- Impulse buying includes sales, Internet purchases, promotional items, mail order purchases, party plans, special offers and personal selling.

NOTES:

- **CRITICAL CROSS-FIELD and DEVELOPMENTAL OUTCOMES:**

This unit standard supports in particular, the following critical cross-field outcomes at unit standard level:

1. The learner is able to identify and solve problems and make decisions relating to the use of his/her own budget.
2. The learner is able to collect, organise and critically evaluate information by investigating own past expenses and planning to be able to balance one's own accounts and save for future needs.
3. The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and written presentations when explaining the parts of a standard budget.
4. The learner is able to organise and manage him/herself by undertaking personal financial planning and constructing and using a personal budget.
5. The learner is able to collect, organise and critically evaluate information relating to budgeting.
6. The learner is able to demonstrate an understanding of the world as a set of related systems by recognising how the use or lack of use of a budget impacts on his/her own life and those family members for whom one is responsible.
7. The learner is able to participate as a responsible citizen in the life of local, national and global communities by beginning to understand how to avoid the debt spiral.

Portfolio Assessment

Evidence that the assessment criteria have been demonstrated competently should be included in a portfolio of evidence that will be assessed formatively on completion of each task and summatively on completion of the portfolio for the unit standard.

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SOUTH AFRICAN QUALIFICATIONS AUTHORITY

FUNDAMENTAL FINANCIAL LITERACY UNIT STANDARDS LEVEL 2

TITLE: **Examine the costs and benefits of using banking institutions for the managing of personal finances**

FIELD: Business, Commerce and Management Studies

SUB FIELD: Financial Services – Insurance: Financial literacy

PURPOSE:

This unit standard provides a broad introduction to personal banking and its associated costs. It is one of a series of unit standards on financial literacy intended to empower learners to manage their own finances responsibly. The focus is knowledge, skills, values and attitudes in relation to the learner's own context.

The qualifying learner is capable of

- Comparing costs and benefits of using banking institutions to save money.
- Researching the financial costs of banking.
- Understanding the risks and responsibilities of opening and running various bank accounts.
- Making an informed choice about own banking.

LEARNING ASSUMED TO BE IN PLACE:

There is open access to this unit standard. Learners should
- Hold a GETC or equivalent qualification. Or
- Be competent in communication and mathematical literacy NQF level 1.

SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:

Specific Outcome 1: **Investigate the types of account offered at banking institutions for managing personal finances.**

Assessment criteria:

1.1. The types of account offered at three different banking institutions are investigated and an indication is given of the purpose of each type of account.

1.2. Documentation required when opening different types of account is indicated with authentic examples.

1.3. Documentation needed to effect various transactions is completed using authentic examples.

Specific Outcomes 2: Research the financial costs of various banking transactions.

Assessment criteria:

2.1 The financial costs of withdrawing, depositing and transferring money via an ATM and at a teller in the bank are researched and compared and the results summarised in a table.

2.2 The hidden cost of keeping money in a bank is investigated for three case studies.

2.3 Non-financial issues to be considered when choosing a bank are explored in relation to own situation, such as accessibility and convenience of location.

2.4 The benefits and dangers of storing money in cash are compared with the benefits and dangers of using banking facilities and a decision is made about the safe keeping of personal savings.

Specific Outcome 3: Demonstrate an awareness of the risks and responsibilities involved when completing various transactions.

Assessment criteria:

3.1 An ATM is described and its functions and withdrawal limits are explained with reference to a particular banking institution.

3.2 Safety precautions that should be followed when doing transactions at a bank, Post Office or ATM are discussed with reference to criminal activities.

3.3 The benefits and costs of debit cards are discussed and an indication given of how to use these safely and responsibly.

3.4 The benefits and costs of cheque transactions are discussed and an indication given of how to use these safely and responsibly.

3.5 The benefits and costs of credit cards are discussed and an indication given of how to use these safely and responsibly.

3.6 The way in which money can be transferred between one's own accounts using inter account transfers or electronic banking is described or demonstrated using available technology.

3.5 The way in which money can be transferred direct into someone else's account or to make a payment is described or demonstrated using available technology.

3.6 The advantages of having a debit balance and the cost of credit on one's credit card are discussed in relation to the current interest rates.

Specific Outcome 4: Make an informed choice regarding one's own banking

Assessment criteria:

4.1 Several options are considered and a decision is made and supported as to which banking institution and type of account is best for own use.

4.2 The necessary documentation is accurately completed to open an account at a chosen bank.

4.3 The need to keep careful records of own financial transactions is explained with an indication of the implications of careless record keeping and how long it is necessary to retain financial records.

ACCREDITATION AND MODERATION:

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by INSQA or a relevant accredited ETQA. The mechanisms and requirements for moderation are contained in the document obtainable from INSQA, *INSQA framework for assessment and moderation.*

RANGE STATEMENT:
The typical scope of this unit standard is bank accounts including savings, current, garage, debit and credit cards, 32 day call, fixed deposit and notice deposit accounts

NOTES:

- **CRITICAL CROSS-FIELD and DEVELOPMENTAL OUTCOMES:**

  This unit standard supports in particular, the following critical cross-field outcomes at unit standard level:

1. The learner is able to identify and make decisions relating to the use of banking facilities and personal savings.
2. The learner is able to collect, organise and evaluate information by investigating various banking options and their costs.
3. The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and written presentations to explain the costs and benefits of banking as opposed to keeping money as cash.
4. The learner is able to organise and manage him/herself by successfully opening a bank account after having investigated various possibilities.
5. The learner is able to work effectively with others as a member of a team in discussing matters relating to banking.
6. The learner is able to use science and technology effectively when using a calculator to calculate interest and the cost of credit.
7. The learner is able to demonstrate an understanding of the world as a set of related systems through an understanding of banking institutions.
8. The learner is able to participate as a responsible citizen in the life of local, national and global communities by safely storing and responsibly using the services of banking institutions.

SOUTH AFRICAN QUALIFICATIONS AUTHORITY

NATIONAL QUALIFICATIONS FRAMEWORK

Established in terms of Act 58 of 1995

FUNDAMENTAL FINANCIAL LITERACY UNIT STANDARDS LEVEL 2

TITLE: **Examine the application of the Basic Conditions of Employment Act and its effect on earnings in own contract.**

FIELD: Business, Commerce and Management Studies

SUB FIELD: Financial Services – Insurance: Financial literacy

PURPOSE:

This unit standard provides a broad introduction to the financial implications of the Basic Conditions of Employment Act and its application to a work contract. The unit standard is intended to inform and empower learners so that they understand their own work contracts, rights and responsibilities under this Act. The focus is knowledge, skills, values and attitudes in relation to the learner's own context.

The qualifying learner is capable of

- Understanding the financial implications of his/her own employment contract
- Understanding his/her own salary advice, and deductions from his/her salary.
- Understanding the financial and other responsibilities of employee to employer and vice versa.

LEARNING ASSUMED TO BE IN PLACE:

There is open access to this unit standard. Learners should
- Hold a GETC or equivalent qualification. Or
- Be competent in communication and mathematical literacy NQF level 1.

SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:

Specific Outcome 1: **Demonstrate knowledge and understanding of the financial elements of an employment contract.**

Assessment Criteria

1.1 Salaries and wages are identified as the basic forms of remuneration and the tax implications of salaries and wages are indicated in a table.

1.2 Regulations relating to the payment of salaries and wages is indicated in a checklist and reasons are given to explain how the employee is protected by the Basic Conditions of Employment Act.

1.3 The financial implications of different forms of employment are explored with reference to selection, recruitment and dismissal and the way in which the contract is structured.

1.4 The difference between Gross and Net income is explained with reference to an employment contract.

1.5 The conditions of payment for overtime pay are outlined with reference to the Basic Conditions of Employment Act.

1.6 The different financial implications of legislation relating to leave are indicated with reference to annual, maternity, special and unpaid leave in own contract.

1.7 The legal requirements relating to termination and severance of employment are explained with reference to own contract.

1.8 The different kinds of payment that make up one's remuneration are understood, with reference to own contract.

1.9 The concepts of structuring a package in terms of allowances and benefits is explained with reference to cost and benefit implications for both employer and employee.

1.10 The right to an annual increase or salary review is explained for own contract.

1.11 The key aspects of the Basic Conditions of Employment Act that impact on remuneration are identified and presented in a mindmap.

1.12 The concepts of a *deferred salary* and a *bonus* are investigated in terms of how each is paid and their tax implications.

Specific Outcome 2: Interpret standard deductions reflected on a salary advice.

Assessment criteria:

2.1 Standard deductions from own salary or wage are identified and the nature of, and reasons for, such deductions are given with reference to own salary advice.

2.2 Compulsory and voluntary deductions from a salary advice are identified with examples from own salary advice.

2.3 Reasons for the limit of 25% on salary deductions are explained with reference to case studies.

2.4 Information on salary advice is used to check that the amount paid out is correct.

2.5 The concept of a *Garnishee Order* is explained in terms of the legal procedures required before deductions may be drawn from an employee's salary.

Specific Outcome 3: **Explain the financial responsibilities that a company has to its employee.**

Assessment Criteria:

3.1 The concept of *trading one's labour for remuneration* is explained with reference to own experience.

3.2 The value of an employee's labour is discussed, using concrete examples of added value within the individual workplace to explain the concept.

3.3 The financial obligations of a company to its employees are described, using a generic or specific contract of employment.

3.4 Regulations relating to the deduction of money from an employee's salary are outlined with reference to own contract.

Specific Outcome 4: **Explain the responsibilities of the employee towards her/his employer.**

Assessment Criteria:

4.1 The employee's responsibility to the employer is described in relation to attendance, punctuality, productivity, reliability, use of resources and company and other loans.

4.2 The term *cost to company* is explained using examples from employment contracts.

4.3 The cost of time to the company is calculated in hourly, daily, weekly, monthly and yearly rates.

4.4 The cost of an employee to the company over and above the employment contract is described, including the cost of space, time, telephone,resources, all forms of remuneration, training and incidental expenses.

4.5 Non-productive activities that impact negatively on business profitability are indicated in a table and an indication of cost to the company of each is discussed.

4.6 An indication is given as to how one can improve one's productivity in one's job.

4.7 The value that an employee adds to the business is discussed, using self as an example.

ACCREDITATION AND MODERATION:

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by INSQA or a relevant accredited ETQA. The mechanisms and requirements for moderation are contained in the document obtainable from INSQA, *INSQA framework for assessment and moderation.*

RANGE STATEMENT:

The typical scope of this unit standard is

1. The types of employment types include: temporary, permanent, contractual and part-time employment.
2. Deductions from salary advice include: Pension, union fees, medical aid, tax, insurance cover on group schemes.
   UIF, PAYE/site, garnishee orders if legally sanctioned.
4. Employers' financial obligations to employees include basic salary/wage; annual salary review, leave pay, monthly payment date, allowances and benefits.
5. Non productive activities include abuse of the Internet, email, fax, phones, stationary, misuse of resources includes abuse of sick leave, telephones, company property and time.
6. Allowance and benefits are those that apply to the learner.
7. Different kinds of pay include salary/wages, medical aid subsidy, company contribution to the pension scheme, bonuses and other company specific contributions/payments.
8. Financial implications of different employment contracts include monthly, hourly and daily rates.
9. Annual salary increases refer to cost of living or merit increases.

NOTES:

CRITICAL CROSS-FIELD and DEVELOPMENTAL OUTCOMES:

This unit standard supports in particular, the following critical cross-field outcomes at unit standard level.

1. The learner is able to collect, organise and critically evaluate information by investigating his/her own employment contract to ensure that he/she negotiates the best possible financial package with his/her employer.
2. The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and written presentations when explaining the terms of his/her employment contract and the rights and responsibilities of the employee and employer.
3. The learner is able to organise and manage him/herself by undertaking personal research and taking initiative to negotiate the best possible financial conditions of his/her own contract.
4. The learner is able to demonstrate an understanding of the world as a set of related systems by recognising how irresponsible decisions about the use of time, space and other resources impact on the company, the employer and oneself.
5. The learner is able to participate as a responsible citizen in the life of local, national and global communities by beginning to understand the responsibilities undertaken when entering into contracts of any kind.