**BTEC LEVEL 3 NATIONAL IN BUSINESS** 

# UNIT 3 PERSONAL AND BUSINESS FINANCE FLASHCARDS

**KEY THEMES INCLUD** 

METHODS OF PAYMENT, TYPES OF BORROWING, FINANCIAL INSTITUTIONS, BREAK-EVEN ANALYSIS, CASH FLOW FORECASTS, FINANCIAL STATEMENTS

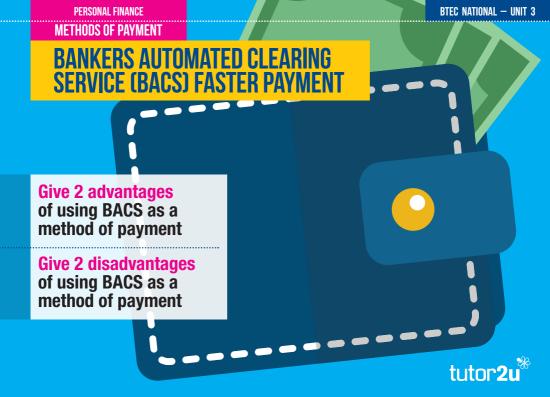


THESE FLASHCARDS HAVE BEEN DESIGNED TO SUPPORT REVISION FOR THE EXTERNALLY ASSESSED UNIT 3 EXAMINATION.

THE CARDS ARE SPLIT INTO EASILY IDENTIFIABLE CATEGORIES TO COVER ALL KEY ASPECTS OF THE SPECIFICATION FOR BOTH PERSONAL AND BUSINESS FINANCE AND INCLUDE THE FOLLOWING THEMES:

METHODS OF PAYMENT, TYPES OF SAVING, PROVIDERS OF FINANCIAL INFORMATION AND GUIDANCE, BREAK-EVEN, FINANCIAL STATEMENTS AND RATIO ANALYSIS.

EACH CARD CONTAINS A KEY TERM, CONCEPT OR FORMULA WITH EASY TO FOLLOW, CONCISE DEFINITIONS AND ADDITIONAL DEVELOPMENT POINTS READY FOR THE EXAMINATION.



# A SYSTEM THAT ALLOWS THE TRANSFER OF PAYMENTS DIRECTLY FROM ONE BANK ACCOUNT TO ANOTHER IN 3 WORKING DAYS (UNLESS FASTER PAYMENT IS AVAILABLE)

#### **ADVANTAGES:**

- Faster payment allows almost instant transfers that are guaranteed within two hours
- No additional costs

#### **DISADVANTAGES:**

- A limit is set on the amount that can be transferred in a single transaction
- Faster payment is not offered by all banks and branches and therefore BACS may have to be used which takes three days to clear



TYPES OF BORROWING

## **PAYDAY LOANS**

Give 2 advantages of using payday loans as a method of borrowing

Give 2 disadvantages of using payday loans as a method of borrowing



## A SHORT-TERM SOURCE OF FINANCE THAT CAN HELP TO BRIDGE THE GAP BETWEEN THE PRESENT MOMENT IN TIME AND RECEIVING A WAGE

#### **ADVANTAGES:**

- A fast source of cash in a financial emergency
- Do not require a credit report and therefore eligibility for this type of loan is likely to be guaranteed

#### **DISADVANTAGES:**

- The loan is for a short period only
- Involve both fees and high interest payments the charges are significantly higher than with a standard bank loan



PERSONAL FINANCE

METHODS OF COMMUNICATION WITH CUSTOMERS

# **TELEPHONE BANKING**

Give 2 advantages of telephone banking as a method of communication

Give 2 disadvantages of telephone banking as a method of communication





### THE USE OF A TELEPHONE TO CARRY OUT BANKING TRANSACTIONS WHICH MAY USE EITHER AN AUTOMATED SERVICE OR REQUIRE A CUSTOMER ADVISOR

#### **ADVANTAGES:**

- Convenient to access basic functions e.g. checking an account balance
- No additional charges

#### **DISADVANTAGES:**

- Call centre and automated telephone systems can cause customer frustration
- Full access to services may be limited to certain hours

