

Worksheet Plus: Language vacation

Worksheet Plus 1

Lars is 16 years old and will graduate in two years. Afterwards, he would like to go on a language study trip to the USA to improve his English and get to know the country. He researched online and found that a three-week language stay would cost him 1900 euros. In the last few years Lars has saved little, but he only has 500 euros in his savings account at the moment.

Lars's parents have already promised to support him with 500 euros. However, Lars has to find a way to get the rest of the money himself. In the next two years, he wants to save enough to afford the language course in the USA.

Describe Lars' investment objective.

Name the time when the money should be available.

State the time period within which the money should be available.

Explain which type of investment you would recommend to Lars and give reasons for your decision. (Argue the concepts of risk, return, liquidity)

Explain which type of investment is out of the question and give reasons for your decision. (Argue the concepts of risk, return, liquidity)

Tick which investment criterion is most important to Lars.

- Low risk High return High liquidity

Worksheet Plus: Condominium

Worksheet Plus 2

Johanna is 18 years old and still lives with her parents. She has just successfully completed her apprenticeship as a retail saleswoman and is looking forward to being permanently employed by her company.

She was a top performer and has made both of her parents very proud. Johanna received 1,000 euros from her grandparents. Johanna has always saved diligently, and her savings account has already grown to 5,000 euros.

Actually, she wanted to rent her own apartment soon. But after realizing that she must spend at least 500 euros a month on rent, she changed her mind. She will remain living at home for the time being and will save up for a small condominium.

She looked around at the real estate agents and calculates that her future apartment will cost 60,000 euros. She will still need a few years before she can reach her goal. But until then, she wants to save so that she can spend it more wisely in the future.

Describe Johanna's investment objective.

Name the amount of money Johanna currently has at her disposal.

Name the amount of money Johanna still lacks for the condo.

Explain which type of investment you would recommend to Johanna and give reasons for your decision. (Argue the concepts of risk, return, liquidity)

Explain which type of investment is out of the question at all and give reasons for your decision. (Argue the concepts of risk, return, liquidity)

Tick which investment criterion is most important to Johanna.

Low risk High return High liquidity

Consultation

Worksheet 1

Imagine you want to invest your money. You are not sure of the best way to do this. You made an appointment with the financial consultant for tomorrow. In preparation for the appointment, think about your answers to the following questions:

What do you want to save for?

What amount do you want to invest?

When is the earliest you'll need your money back?

What is your most important investment criterion?

Yield	
I want a high profit after costs	<input type="checkbox"/>
I am satisfied with an average profit I do not care about profit	<input type="checkbox"/>
.....	
Risk	
I almost do not want to take any risk	<input type="checkbox"/>
I am willing to take a medium risk, i.e., a loss of _____ euros is acceptable	<input type="checkbox"/>
I am willing to take a high risk	<input type="checkbox"/>
.....	
Liquidity	
I want to get all my money every day	<input type="checkbox"/>
I don't want to get my money for a few years yet	<input type="checkbox"/>
I need my money back after one year	<input type="checkbox"/>



Info sheet: Checklist for the consultation

Preparation

- Who do I take with me to the consultation?
- Am I willing to take a high risk, or not?
- How much can I save per month/year?
- What do I want to save for?
- When do I want to dispose of my money at the earliest?

Implementation

- Get information about different types of investments and assets
- Ask, what happens if you have less or more money available later?
- Find out about risks, costs and obligations
- Request a consultation protocol
- Don't sign anything on the first consultation. Sleep on it.

Follow-up

- After you've slept on it be sure to get more information from neutral sources
- Read everything carefully - even the fine print
- Talk about it with your parents/guardians, older siblings, etc.

Decision

How much interest can you receive?

**Interest when you invest money:**

Amount of money invested x term (year) x interest rate: 100 = interest

Example: 100 Euro x 1 year x 2 %: 100 = 2 Euro interest

And now it's your turn:

How much interest income will Anja and Sven receive at the end of the first year?

Sample task:

Anja invested the 500 euros she earned from her summer job at her bank. She receives 3% interest per year.

Interest income at the end of the first year:

Group A

Sven opened a savings account and deposited 100 euros. He receives 1.5% interest per year.

Interest income at the end of the first year:

Group B

Anja's grandparents deposited 350 euros in her savings account for her birthday. She receives 1.5% interest per year.

Interest income at the end of the first year:

Group C

Sven receives a total of 200 euros as a gift for Christmas. He deposits this money in a current account. He receives 1% interest per year.

Interest income at the end of the first year:

How much interest do you have to pay?

**Interest when you borrow money:**

Amount borrowed x term (year) x interest rate: 100 = interest

Example: 100 Euro x 1 year x 2 %: 100 = 2 Euro interest

Group A

You take out an instalment loan of 1,000 euros.

The term is 1 year. The interest rate is 6%.

Group B

You fully utilize an overdraft facility of 1,000 euros for an entire year.

The term is 1 year. The interest rate is 14%.

Group C

You take out a mortgage loan in the amount of 60,000 euros.

The term is 8 years. The interest rate is 2.5%.
