



**inseta**  
INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY

<b>Learner Name</b>	
<b>ID Number</b>	
<b>Organisation</b>	

## FORMATIVE ASSESSMENT: LEARNER WORK FILE VERSION 1

Unit Standard Title: **Indicate how different needs lead to the development of different Financial Services Products**

Unit Standard No: **114985**  
Unit Standard Credits: **4**  
NQF Level: **3**

### Mark information:

Specific Outcome/Section	1	2	3	4	5	Total	%	C / NYC
Maximum marks	34	27	23	11		95	100	

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## Formative Activities

### Section 1: 34 marks

#### Activity 1

Conduct a survey with regards to the need for financial services in two different communities. One community should be a relatively poor community and the other one a relatively wealthy community. Look at what is required of you in this activity before conducting the surveys. After you have gathered all your information, answer the questions below.

- a) Design a questionnaire that you will use to conduct your survey. Your questionnaire should contain the relevant questions in order to gather the information / answers from the respondents with regards to the financial service needs of people in a community. Paste your blank designed questionnaire that you will use, in the space provided. (3)

A large empty rectangular box with a black border, intended for the learner to paste their designed questionnaire. The box is positioned below the question text and is currently blank.

- b) Compare the financial service needs of the two communities that you surveyed in terms of their lifestyle, needs, buying power (the amount of money available to spend on financial services) and their value systems. Give your answers in the table below: (8)

	<b>Community 1 (Relatively poor)</b>	<b>Community 2 (Relatively wealthy)</b>
<b>Lifestyle</b>		
<b>Needs</b>		
<b>Buying power</b>		
<b>Value systems</b>		

- c) According to the information gathered during your survey, list some of the reasons why people **WOULD** choose a financial services investment. (2)

- d) According to the information gathered during your survey, list some of the reasons why people **WOULD NOT** choose a financial services investment. (2)

- e) List at least 3 financial services products offered by different financial service providers. Mention whether the products that you have listed are meeting the needs of the communities where you conducted your survey. (4)



- f) Conduct a Gap Analysis to identify where the products listed above do not meet the surveyed client's needs. You can record the detail of your gap analysis in the table below:

(12)

<b>Needs of the clients</b>	<b>Product 1</b>	<b>Product 2</b>	<b>Product 3</b>
<b>Return</b> (Profit that investor makes)			
<b>Risk</b> (Possibility to lose money)			
<b>Liquidity</b> (Accessibility of money)			
<b>Tax implications</b> (Is the product tax efficient)			

- g) Draw a graph of the information obtained. You can use the variables in the table above to draw your graph.

(3)

**Section 2: 27 marks**

**Activity 2**

Identify and compare at least 2 different financial services markets. Also explain the reasons for the differences between the markets with reference to the historical and cultural situation in South Africa. (10)

**Activity 3**

Identify the potential for marketing the different financial services products by naming and explaining the nature of the services needed by different market sectors.

(6)

<b>Product</b>	<b>Description of type</b>
<b>Bank Accounts</b>	
<b>Unit Trusts</b>	
<b>Endowment Policy</b>	

**Activity 4**

Conduct research and write short notes on the following:

- The effect that a particular event (e.g. a car accident, death, disability etc.) can have on a person if he/she does not have an insurance or investment policy. (4)

- The actions that constitute fraud and non-declaration and what measures you would take (out of an insurance perspective) to reduce fraud. (3)

**Activity 5**

Indicate what ways of insurance and investment exist for clients in lower income groups. (4)

Investment / Insurance Product	Lower income group



### Section 3: 23 marks

#### Activity 6

Refer back to your surveys done at Activity 1.

For this activity, you should match the needs of potential customers with the available products. Refer to the information in your learner guide (module 3) when answering these questions.

- a) Use the information / data that you have gathered from the survey of the two different communities to group the people to their requirements for different financial services. Indicate the groups and the number of respondents that fall within each group. (2)

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- b) Compare the wants and needs of the people for the different groups in terms of age, income, commitments and priorities. Use the table below to record your answer. (8)

Variables	Group 1	Group 2
Age		
Income		
Commitment		
Priorities		

- c) Find out about the different products and services available in the insurance- and investment industry. Name these products and give an indication of the type of customers who are most likely to invest in the products that you have indicated. (4)



- d) Conduct research and identify two similar products offered by two financial services providers. Name these similar products and indicate which one of them (in your opinion) offers the best value for money. Motivate your answer. (3)



- e) Make suggestions for new products that would combine or offer different combinations of insurance- or investments or meet the different needs of the potential new customers. (2)



- f) You were asked to do a presentation where you will get the chance to present a plan for an awareness campaign to introduce the idea of insurance or investment to potential new customers. Use the following 3 (three) slides to plan your presentation on and highlight the ideas that you will discuss in your presentation. (4)

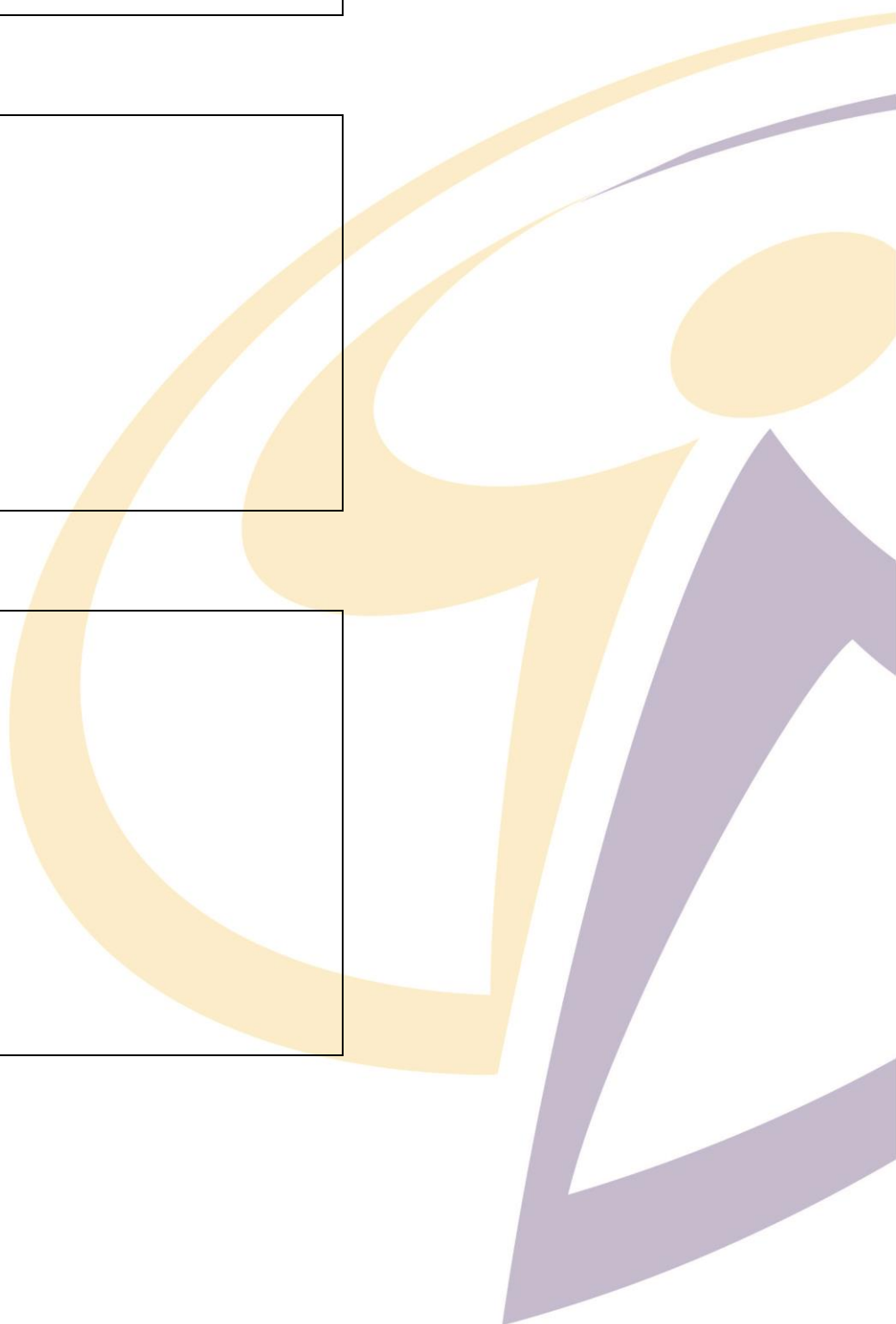
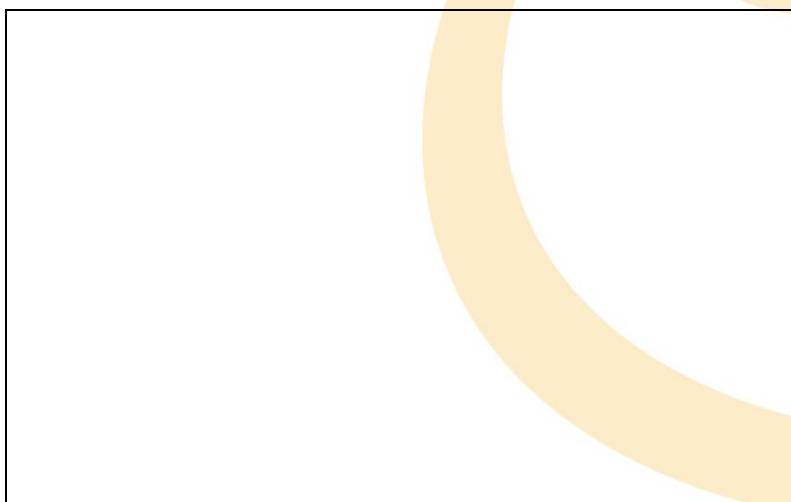
Slide 1



Slide 2



Slide 3



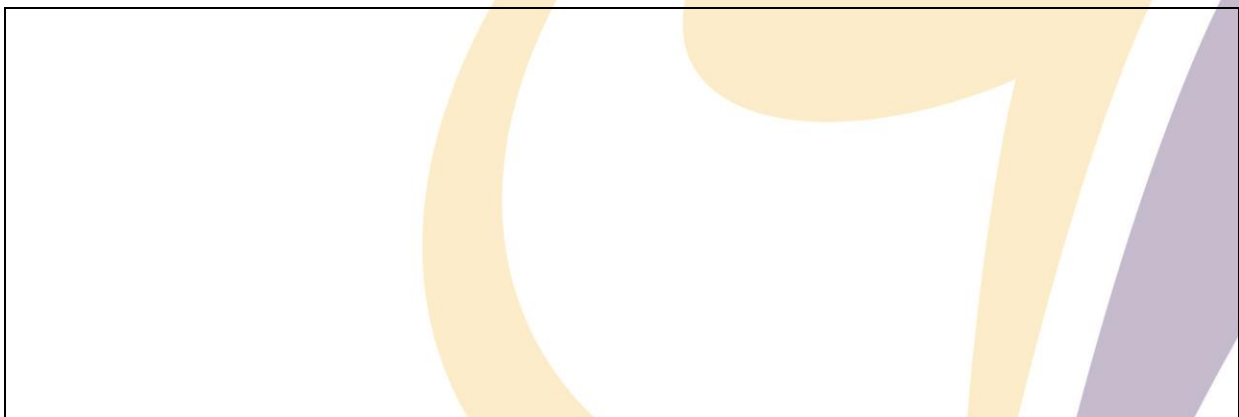
**Section 4: 11 marks****Activity 7**

After conducting a survey, it is important that you make sure that your data or information gets interpreted correctly so that you can communicate your findings clearly and accurately. Give 3 (three) guidelines that you would give someone regarding this. (3)

**Activity 8**

Conduct research and gather articles (from a newspaper, magazine or the internet) from the past 5 years, on the types of financial service that is most valued by the different communities.

- a) Write notes on the articles in terms of the financial service that was most valued at the different times. (3)



- b) Interpret the data and information from the articles and indicate what possible social, political and environmental reasons there could be for the trends in the data. (3)

- c) What, would you say, will the implications of the trends in the different communities be for the financial services industry? (2)





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**SOUTH AFRICAN QUALIFICATIONS AUTHORITY  
REGISTERED UNIT STANDARD:**

**Indicate how different needs lead to the development of different Financial Service products**

<b>SAQA US ID</b>	<b>UNIT STANDARD TITLE</b>			
114985	Indicate how different needs lead to the development of different Financial Service products			
<b>ORIGINATOR</b>		<b>ORIGINATING PROVIDER</b>		
SGB Insurance and Investment				
<b>QUALITY ASSURING BODY</b>				
-				
<b>FIELD</b>			<b>SUBFIELD</b>	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
<b>ABET BAND</b>	<b>UNIT STANDARD TYPE</b>	<b>OLD NQF LEVEL</b>	<b>NEW NQF LEVEL</b>	<b>CREDITS</b>
Undefined	Regular	Level 3	NQF Level 03	4
<b>REGISTRATION STATUS</b>		<b>REGISTRATION START DATE</b>	<b>REGISTRATION END DATE</b>	<b>SAQA DECISION NUMBER</b>
Reregistered		2010-06-26	2012-06-30	SAQA 0480/09
<b>LAST DATE FOR ENROLMENT</b>		<b>LAST DATE FOR ACHIEVEMENT</b>		
2013-06-30		2016-06-30		

In all of the tables in this document, both the old and the new NQF Levels are shown. In the text (purpose statements, qualification rules, etc), any reference to NQF Levels are to the old levels unless specifically stated otherwise.

This unit standard replaces:

US ID	Unit Standard Title	Old NQF Level	New NQF Level	Credits	Replacement Status
8987	Indicate how different needs lead to the development of different insurance products	Level 3	NQF Level 03	4	Complete

### PURPOSE OF THE UNIT STANDARD

This Unit Standard introduces the background needed to deepen understanding of the people who make up the financial services market in South Africa. It allows for the collection, presentation and interpretation of data that provides insight into the industry.

The qualifying learner is capable of

- Surveying opinions on the need for financial services in two different communities.
- Comparing the different markets for financial services.
- Matching the needs of potential customers with available products.
- Interpreting statistical information to determine the financial service most valued by two communities.

### LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners should be competent in Communication and Mathematical Literacy at NQF Level 2.

### UNIT STANDARD RANGE

The typical scope of this unit standard is:

- A survey of a sample of 10 people from two different communities.
- Formulation of a questionnaire to establish why people would/not use selected financial services.
- Graphic presentation in a bar graph or pie chart.
- Classification of investment markets: individual, groups, corporate, unions.
- Decision making/selection of a product according to own needs.
- Particular events include loss, e.g. burglary, death, legal disability; change in health status e. g. onset of dread disease; change in life status e.g. birth, adoption of a child, marriage, divorce, retrenchment, retirement.
- Products refer to financial services products including, but not limited to, Endowment, Retirement Annuity, Life Policy, Healthcare Cover, Collective Investments, Funeral, Short Term Risk and multi-class type policies and banking products.
- Published data accessed from Annual Reports, Statistics SA, HSRC and newspapers.



**Specific Outcomes and Assessment Criteria:****SPECIFIC OUTCOME 1**

Survey opinions on the need for financial services in two different communities.

**ASSESSMENT CRITERIA****ASSESSMENT CRITERION 1**

The financial service needs of two different communities are compared in terms of their lifestyle, needs, buying power and value systems.

**ASSESSMENT CRITERION 2**

The reasons why people would/would not choose a financial services investment are explored by means of a survey.

**ASSESSMENT CRITERION 3**

Existing financial services products offered by various providers are listed and compared to the community needs identified in the survey.

**ASSESSMENT CRITERION 4**

A gap analysis is conducted to identify where the existing products do not meet the consumer needs for the communities surveyed.

**ASSESSMENT CRITERION 5**

The information obtained from the survey is represented graphically.

**SPECIFIC OUTCOME 2**

Compare the different markets in South Africa for financial services.

**ASSESSMENT CRITERIA****ASSESSMENT CRITERION 1**

The different financial services markets are classified and compared and reasons for the differences between the markets are given with reference to the historical and cultural situation in South Africa.

**ASSESSMENT CRITERION 2**

The potential for marketing the different financial services products is explored in terms of the nature of services needed by the different market sectors.

**ASSESSMENT CRITERION 3**

The effects of a particular event on a person are compared for a scenario with or without insurance or investment.



**ASSESSMENT CRITERION 4**

Actions that constitute fraud and non-declaration are indicated and measures that are taken to reduce fraud are explained with reference to a selected sub-sector.

**ASSESSMENT CRITERION 5**

Existing avenues of insurance and investment are investigated for consumers in lower income groups.

**SPECIFIC OUTCOME 3**

Match the needs of potential customers with available products.

**ASSESSMENT CRITERIA****ASSESSMENT CRITERION 1**

Data from the survey of the two communities is used to group people according to their requirements for financial services.

**ASSESSMENT CRITERION 2**

The wants and needs of people are compared for different groups in terms of age, income, commitments and priorities.

**ASSESSMENT CRITERION 3**

The different products and services available in the industry are named and an indication is given of the profile of potential customers who are most likely to invest in the products indicated.

**ASSESSMENT CRITERION 4**

Two similar products offered by two selected financial services organisations are named and a decision is made as to which of the products offers the best value for money in the learner's opinion and circumstances.

**ASSESSMENT CRITERION 5**

Suggestions are made for new products that combine or offer different combinations of insurance or investments or meet different needs of potential new customers.

**ASSESSMENT CRITERION 6**

A plan is presented for an awareness or advocacy campaign to introduce the idea of insurance or investment to potential new customers.

**SPECIFIC OUTCOME 4**

Interpret statistical information to determine the type of financial service.

**OUTCOME NOTES**

Interpret statistical information to determine the type of financial service most valued by the two communities.

## **ASSESSMENT CRITERIA**

### **ASSESSMENT CRITERION 1**

Different interpretations that could be given to the data from own and other's surveys are considered and compared in terms of the most valued types of financial service.

### **ASSESSMENT CRITERION 2**

The survey data is interpreted and possible reasons are suggested for trends indicated in the data.

### **ASSESSMENT CRITERION 3**

The type of financial service most valued by different communities is compared from published statistics at different periods over the past 5 years.

### **ASSESSMENT CRITERION 4**

Published data is interpreted and possible social, political and environmental reasons are suggested for trends in the data.

### **ASSESSMENT CRITERION 5**

Implications of the trends in different communities are indicated for the financial services industry.

## **UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS**

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by a relevant accredited ETQA or an ETQA that has a Memorandum of Understanding with the relevant accredited ETQA.

## **UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE**

N/A

## **UNIT STANDARD DEVELOPMENTAL OUTCOME**

- A learner is able to act as a responsible citizen in the organisation and his/her community by identifying what constitutes fraud and by indicating or suggesting what measures could be used to reduce fraud.
- A learner is able to identify entrepreneurial opportunities by exploring the potential for marketing financial services products, and by planning an awareness campaign to introduce the concept of insurance and investment to new customers.

**UNIT STANDARD LINKAGES**

N/A

**Critical Cross-field Outcomes (CCFO):****UNIT STANDARD CCFO IDENTIFYING**

Learners can identify and solve problems by interpreting the data collected from their own surveys and by making decisions regarding products affording the best value for money.

**UNIT STANDARD CCFO ORGANISING**

A learner is able to organise and manage his/her activities responsibly and effectively when developing a questionnaire and scheduling interviews for Specific Outcome "Survey opinions on the need for financial services in two different communities".

**UNIT STANDARD CCFO COLLECTING**

A learner is able to collect, organise and evaluate information when interpreting the statistical information accumulated during the interviews with his/her sample group.

**UNIT STANDARD CCFO COMMUNICATING**

A learner is able to communicate effectively using visual, mathematics and language skills when interviewing a sample of the community and presenting the findings graphically and visually.

**UNIT STANDARD CCFO DEMONSTRATING**

Learners can demonstrate cultural sensitivity by understanding individual preferences most valued by different communities in terms of their financial services needs.

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