



**Shenley Brook End Sixth Form
Summer transition tasks for
LIBF Financial Studies**

Due date Monday 11 September 2023

LIBF Financial Studies Transition Task 2023

Submission date

Monday 11th September 2023

Subject & Exam board

Level 3 Certificate in Financial Studies, London Institute of Banking & Finance. (LIBF)

Objectives of task

- To gain a thorough overview of the impact of the 2007/08 financial crisis
- To gain an understanding of the first two LIBF topics you will be examined on: The purpose of money and the personal life cycle

SECTION A - TASK 1 – The Financial Crash

The discussion of the 2007/08 financial crisis underpins the financial studies course. Based on this, it is imperative you are aware of what happened. For this task, you should draw a timeline of the 2007/08 financial crisis (use the timeline attached). You should use this link to inform you <https://www.theguardian.com/business/2012/aug/07/credit-crunch-boom-bust-timeline> Do not copy it – you should summarise.

You should then answer the following questions in your own words:

1. Commentators argue the financial crisis was caused by Northern America. To what extent do you agree with this statement?
2. In the UK, Northern Rock was heavily involved in the property market. Who were Northern Rock? How did they contribute to the financial crisis?
3. How did the UK Government react to the financial crisis? What action did they take?
4. In your opinion, to what extent did the UK Government take the right action in dealing with the negative consequences of the financial crisis?

SECTION B - TASK 2 – The Purpose of Money

This is the initial topic you will cover when you start the LIBF Financial Studies course. Answer the following questions to give you an insight prior to starting the course.

1. Before money was created, people use a system of bartering to trade goods or services. How did bartering work? Use examples in your explanation.
2. In order to fulfil its purposes, money needs to have certain features. What are the features it must have? Some have been filled out for you.
 - a. Acceptable
 - b. Recognisable
 - c. Stable
 - d.
 - e.
 - f.

3. A key consideration for savers is inflation. What is inflation? Use an example to support your answer.
4. What is the current rate of inflation? How has this changed since 2019?
5. How does this rate of inflation impact people?

SECTION C - TASK 3 – The Personal Life Cycle

People at different stages in their life have different financial circumstances. They will probably have different amounts of income and how they use their money will vary throughout their life. LIBF label each stage of the lifecycle as follows:

Birth and Infanthood	0-2 years old
Childhood (pre-school)	2-5 years old
Childhood (school)	5-12 years old
Teenager	13-19 years old
Young Adult	18-25 years old
Mature Adult	26-40 years old
Middle Age	41-54 years old
Late Middle Age	55-65 years old
Old Age	65 onwards
Death	Possible at any age but more likely here

Answer the following questions in reference to the lifecycle above:

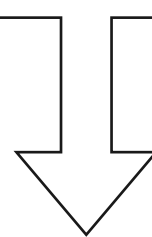
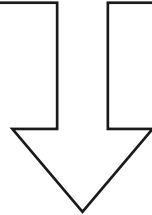
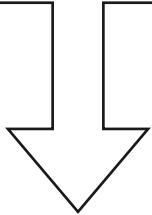
1. What life events are likely to happen to someone who is a young adult?
2. Where is a teenagers income likely to come from?
3. At what stage in the lifecycle is someone most likely to retire?
4. How does retirement impact saving at the other stages in the life cycle?
5. At what age do you think someone is most likely to take risks? Justify your answer
6. How would having a child impact someone's attitude to saving? Explain your answer

At what stage is someone most likely to borrow money from a financial provider? Justify why you think this is the case

2007 -

September 2008 -

2009 -



January – May 2008 -

October – December 2008 -

2010 – 2012 -