

Student Case Scenarios Worksheet

Module 1: Financial Responsibility

Read the following case scenario and answer the questions that follow. Answer the questions based on your understanding of the case scenario and the concepts covered in the lessons.

Remember to provide detailed explanations for each answer and support them with relevant examples or information. Good luck!

Topic: Introduction to Financial Responsibility

Sarah is a 22-year-old college student who recently started her first part-time job. She is excited about earning her own money but is unsure about how to manage her finances effectively. Sarah wants to practice financial responsibility to achieve her goals and avoid financial stress.

1. Sarah's income from her part-time job is \$500 per month. She has identified the following monthly expenses:

- Rent: \$250
- Utilities: \$50
- Groceries: \$100
- Transportation: \$75
- Entertainment: \$50
- Savings: \$75

Calculate Sarah's monthly income after deducting her expenses.

2. Sarah wants to save for a vacation in six months. She estimates that the vacation will cost \$1,500. How much does Sarah need to save each month to reach her goal?

3. Sarah is considering investing some of her savings in the stock market. What are the potential risks and benefits of investing? Explain in detail.

4. Sarah wants to buy a new laptop that costs \$800. She is considering using a credit card to make the purchase. What factors should Sarah consider before deciding to use a credit card? Provide at least three factors.

5. Sarah's friend suggests taking out a student loan to cover her college expenses. What advice would you give Sarah regarding student loans? Explain why.

6. Sarah is planning to create a budget to track her income and expenses. List at least three benefits of creating a budget.

7. Sarah's credit score is currently low. What steps can she take to improve her credit score? Provide at least three specific actions she can take.

8. Sarah wants to instill good financial habits in her younger brother, who is 13 years old. Suggest three activities or strategies she can use to teach him about financial responsibility.

9. Imagine Sarah encounters an unexpected expense, such as a car repair. How can having an emergency fund help her in this situation? Explain.

10. Reflecting on the case scenario, what are three key lessons about financial responsibility that Sarah has learned? Explain each lesson in detail.

Topic: Wants vs. Needs

You are a financial advisor working with a group of 11 students who are about to start their first year of college. They have different backgrounds and financial situations, but all of them have limited budgets. Your task is to guide them in understanding the difference between wants and needs and help them make informed purchasing decisions.

1. Why is it important to distinguish between wants and needs when making purchasing decisions? Provide at least two reasons.
2. Identify and explain three examples of basic needs that are essential for survival.
3. Give an example of an expanding need and explain why it has become important in modern society.
4. Differentiate between wants and needs by providing two characteristics for each.
5. How does prioritizing needs over wants help in managing finances effectively? Explain with at least two strategies.

6. Describe the concept of budgeting and its importance in making informed purchasing decisions.

7. What are the consequences of impulse buying? Provide at least two examples.

8. Suggest three strategies that can help individuals avoid impulse buying and make more thoughtful purchasing decisions.

9. How can understanding the distinction between wants and needs promote a responsible and sustainable approach to consumption? Explain using at least two examples.

10. Reflect on your own spending habits. Share one instance where you prioritized a need over a want and explain why it was a responsible decision.

Topic: Demonstrating Financial Responsibility

John is a college student who recently moved out of his parents' house to pursue his studies in a different city. He wants to demonstrate financial responsibility by effectively managing his monthly expenses. John works part-time at a local café to support himself financially. He pays for his rent, utilities, and groceries, and also enjoys going out with friends occasionally. John is determined to save money and wants to understand how budgeting can help him achieve his financial goals.

1. How does budgeting contribute to financial responsibility? Provide specific examples.
2. Why is it important for John to identify his essential expenses? How can this help him manage his monthly budget effectively?
3. Discuss the main differences between fixed and variable expenses. How can understanding these differences help John allocate his funds?
4. What are some strategies John can use to prioritize his expenses and ensure his essential needs are met before discretionary spending?
5. Explain the significance of regularly tracking and monitoring expenses for John's financial well-being. What tools can he use for expense tracking?

6. In what ways can John make adjustments to his spending habits based on his budget and financial circumstances? Provide practical examples.

7. Discuss the benefits of achieving financial stability for John. How can financial stability alleviate stress and enable long-term planning?

8. How can setting financial goals help John in his journey towards financial responsibility? Provide specific examples of short-term and long-term financial objectives.

9. Reflecting on John's situation, what are some potential challenges he might face in his efforts to demonstrate financial responsibility? How can he overcome these challenges?

10. As an individual interested in demonstrating financial responsibility, what additional steps can John take to further enhance his financial well-being beyond budgeting?

Topic: Analyzing Financial Information and Fraud

You are a financial analyst working for a reputable investment firm. Your supervisor has assigned you a task to evaluate the reliability of various sources related to a potential investment opportunity. Your task is to analyze the sources and determine their credibility. Consider the characteristics of reliable and unreliable sources discussed in the lesson.

You have come across the following sources while researching the investment opportunity:

Source A: An article titled "10 Tips for Successful Investing" published on a financial advice website. The author is listed as a financial expert with a degree in finance and years of experience in the industry. The information is up-to-date and includes references to other reputable sources.

Source B: A brochure found at a local bank promoting a new investment product. The brochure claims high returns and includes testimonials from satisfied customers. However, there are no references or citations provided to support the information.

Source C: A book titled "The Secrets of Wealth Creation" authored by an individual who claims to have made millions through investing. The book includes strategies and promises of quick wealth accumulation.

Now, answer the following questions based on the scenario:

1. Which source(s) can be considered reliable based on the characteristics discussed in the lesson? Explain your answer.

2. Which source(s) can be considered unreliable based on the characteristics discussed in the lesson? Explain your answer.

3. What strategies can you employ to verify the information provided by the sources? Explain your answer.

4. How would you assess the reliability of Source B, considering the lack of references and citations? Explain your answer.

5. Reflecting on the characteristics of reliable and unreliable sources, what potential red flags do you see in Source C? Explain your answer.

Topic: Consumer Protection Laws

You are a consumer who recently purchased a new smartphone online. The phone was advertised as having a long battery life and advanced security features. However, after receiving the phone, you find that the battery drains quickly and the security features are not as advertised. You feel deceived and want to take action to protect your consumer rights.

1. Identify the consumer protection law that applies to this case scenario.
2. Explain why this case can be considered an example of false advertising.
3. What action can you take to address this issue and protect your consumer rights?
4. Describe the role of the Federal Trade Commission (FTC) in this situation.
5. How can you ensure that your personal information is protected during online transactions?
6. List three tips for safeguarding personal information.

7. Why is it important to review your credit card and bank statements regularly?

8. Define phishing and explain why it is important to be aware of phishing attempts.

Topic: Financial Goal Setting

John is a college student who recently started working part-time to support his education and cover his living expenses. He wants to make sure he is financially secure and protected. He has started learning about financial goal setting and consumer protection measures. Let's see how well he applies his knowledge.

1. John has just received his first paycheck. What short-term financial goal should he prioritize? Explain why.

2. John wants to create a budget to track his expenses. Which approach, traditional or modern, do you think would be more suitable for him? Explain your choice.

3. John recently received a credit card and is excited to start using it. What advice would you give him regarding responsible credit card use?

4. John wants to save money for a car that he plans to buy in 5 years. Which short-term saving option would you recommend to him? Explain why.

5. John is considering taking out student loans to finance his education. What financial goal should he prioritize alongside repaying his student loans? Explain your answer.

6. John wants to start saving for retirement. What long-term financial goal should he consider? Explain why.

7. John is concerned about protecting his personal identity. What steps would you recommend he take to prevent identity theft and restore his identity if it gets stolen?

8. Based on the case scenario, explain why it is important for John to set financial goals and be aware of consumer protection measures.