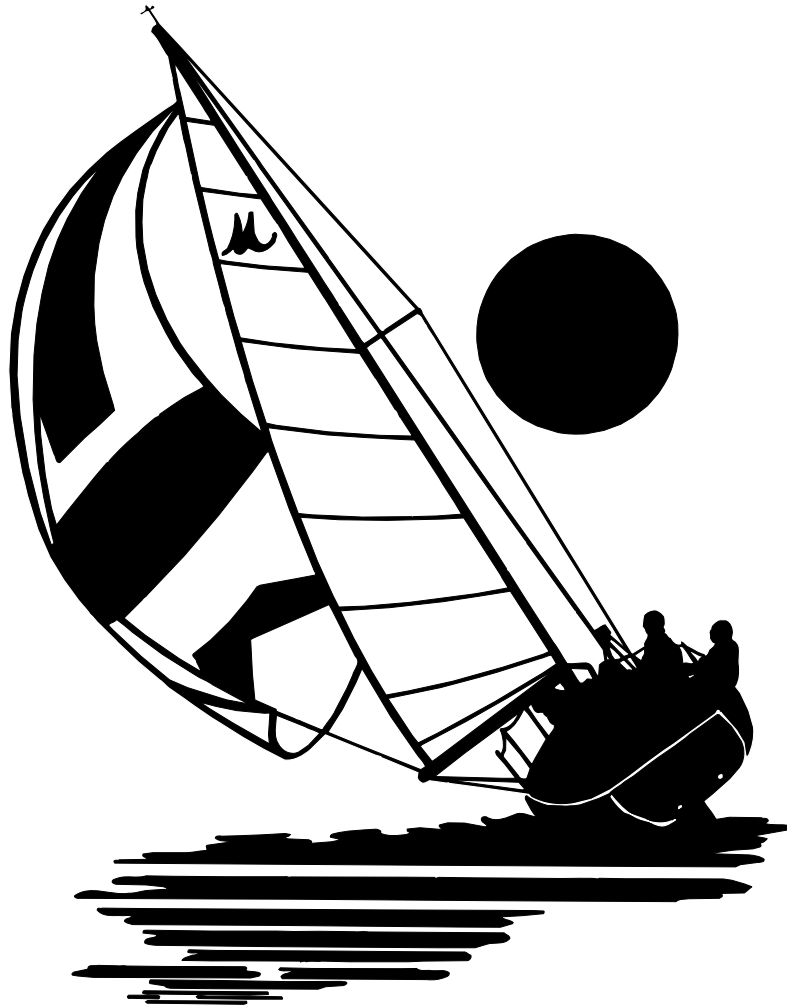


Setting the Sails



Performance Task
Mathematics of Personal Finance
Grade 11, College Preparation - MBF3C



1. Planning the Voyage

Robin is a Grade 11 student. Robin is currently taking the MBF3C Mathematics of Personal Finance course. He/she wants to attend college or university but is unsure of a career path. Robin completed personality assessments and career interest assessments. The following is a partial list of Robin's results:

- enjoys working with people
- enjoys sports
- has good organizational skills
- is outgoing
- is imaginative
- is supportive
- is adaptable/flexible

Your job is to help Robin make a decision about a career path. Research three different occupations chosen from the list your teacher will provide. Use an organized chart to compare the three occupations. Make a recommendation to Robin based on your research and the information you have been given about Robin. Justify your recommendation.

Occupation information can be found on the internet at the Ontario Job Future site by following these instructions:

Go to: www.edu.gov.on.ca then choose:

- English
- Training and Jobs
- Labour Market Information
- Ontario Job Futures
- Alphabetical Listing of Occupational Profile Job Title

Your teacher will give you the information on *Travel Counsellors* obtained from this site. You may work in a group to look at this information to help you decide how to organize your chart. You may also choose Travel Counsellor as one of the three occupations to research.



2. Charting the Route

Robin has decided to attend college for a 2-year hospitality and tourism program. Robin needs to choose between a local college and an out-of-town college.

The local college is 25 km from Robin's home. If Robin attended this college Robin would stay at home so there would not be any board or lodging expenses. However, there would be some daily transportation costs. Robin would also continue working at a part-time job for an income of \$100/week.

If Robin attended the out-of-town college, board and lodging would be available at a house within walking distance of the college. Statistics show that graduates from the out-of-town college program are 25% more likely to obtain employment in the hospitality and tourism field.

If you were Robin, which alternative would you choose?

- Create one spreadsheet template that can be used for each alternative.
- Compare the costs of the two alternatives.
- Identify other factors that might affect the decision.
- Summarize the advantages and disadvantages in an organized chart or list.
- State your choice and give reasons for your decision.

Information on student's costs can be found on the internet by following these instructions:

Go to: www.edu.gov.on.ca then choose:

- English
- Postsecondary Education
- Students' Costs



3. Financing the "Boat"

Robin has graduated from high school and will be attending a 2-year out-of-town college program in September.

- Robin has estimated students' costs (e.g. tuition, books, board and lodging etc.) for an out-of-town college program using information obtained from the web*
- Robin frequently uses the family's computer for schoolwork so he/she has decided to purchase a new computer system for his/her college education. The new computer system will cost about \$1800.
- Robin's parents have saved \$4000 for his/her education. (They will not be able to contribute any more than this amount and they have decided to give Robin the full amount as a high school graduation gift.)
- Robin has a summer job for July and August from which an additional \$1500 can be saved.
- Robin will be able to return to the same job next year for May, June, July and August.

Design a financial plan to determine how much money Robin will need to borrow to fund his/her 2-year education plan.

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4. Casting Off

Robin has graduated from the 2-year college program and has successfully obtained employment. The 12-month grace period for the student line of credit is coming to an end. Robin owes \$13,000 and must start making monthly payments of principal and interest.

Robin has negotiated loan payments at a rate of 9% compounded monthly over a period of 5 years.

- a) Use a spreadsheet to create a loan repayment schedule. Show the following at the bottom of the spreadsheet:
 - Total monthly payments
 - Total interest paid
 - Total principal paid
- b) After six payments on the loan, Robin receives a \$1000 bonus at work. Robin uses the bonus money to make a lump sum payment on the loan. Describe the effect this lump sum payment will have on the loan. Be specific.
- c) As a sailor, Robin knows that a boat must be prepared for the winter months. The winter months of a person's life are the retirement years. Present a convincing argument to Robin that retirement planning at an early age is very beneficial. Back up your argument with concrete figures.