

Sundersby Driving School: borrow, save, insure

Learner workbook | Pearson BTEC Level 3 National Extended Certificate in Business, Unit 3: Personal and Business Finance | Original TBS three-lesson case for classroom practice

Over three lessons you will help a self-employed driving instructor with three money decisions: how to pay for a new tuition car (Lesson 1, borrowing), where to keep spare savings (Lesson 2, saving and investing) and which insurance to buy (Lesson 3, insurance). You will use Unit 3 content area A4 (managing personal finance) and the A1 points on interest rates, risk and reward. Each lesson starts with a quick check of what you remember. In Lesson 3 you write a short recommendation that brings borrowing, saving and insurance together.

Sundersby Driving School, its owner and every figure are fictional. All rates, prices and charges in this case are invented for the exercise. They are not real offers and not advice. This is a teaching case about how financial products work, not financial advice. You need a calculator. This is original classroom practice; it is not a Pearson assessment task and is not endorsed by Pearson.

The business

Sundersby Driving School is run by Maya Brennick, a sole trader and approved driving instructor in a small town in northern England. She owns one dual-control tuition car and teaches about 30 hours a week. She has no employer, so no sick pay and no workplace pension. Her tuition car is five years old and must be replaced at the end of this month. The new car, fitted with dual controls, has a cash price of £15,600.

Maya has spoken to a bank and to a car finance company about paying for the car, has looked at savings accounts, and has had quotes for car insurance. This workbook gives you the quotes where you need them.

Key facts

Item	Fact
Owner	Maya Brennick, sole trader; self-employed, so no sick pay and no employer pension
The need	Replace the tuition car at the end of this month; cash price £15,600 with dual controls fitted
Savings	£5,500 in an Instant Saver. Maya wants to keep at least £3,000 of it as an emergency fund and will not touch that part.
Money each month	Take-home from the business £2,900 (after tax and running costs); household spending £1,900
Invented figures	All rates, prices and charges in this case are invented for the exercise. They are not real offers and not advice.

Free sample

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Contents of the full pack

Lesson 1: How should Maya pay for the car?

Lesson 2: Where should Maya keep her spare £2,500?

Lesson 3: How should Maya insure herself, and what is the whole plan?

Learner workbook and teacher guide, as PDF and as editable Word files.

The teacher guide has lesson plans, full worked answers and indicative guidance.

This sample is the cover and the first two pages of Lesson 1 of the learner workbook. It contains no answers. The pages that follow are exactly as in the full pack.

Lesson 1: How should Maya pay for the car?

Today you will compare two ways of paying for the car, work out what borrowing really costs, compare ways of borrowing for a month, and judge which product suits which need. The offers are on page 2.

Starter: match the product

Write the letter of the best description beside each borrowing product.

Letter	Description
A	Borrowing on a card up to a limit; no interest on purchases if the whole balance is paid by the due date
B	A short, very high-cost loan, repaid in one payment on the borrower's next payday
C	A fixed sum borrowed and repaid in equal monthly payments over an agreed time; the borrower owns what is bought
D	A long loan to buy a property, secured on that property, so the lender can take it if payments are missed
E	Borrowing through a current account up to an agreed limit, with interest charged on the amount overdrawn
F	A deposit and monthly instalments; the finance company owns the goods until the last payment is made

Product	Letter
1. Overdraft	
2. Personal loan	
3. Hire purchase	
4. Mortgage	
5. Credit card	
6. Payday loan	

Task 1: what does the car cost with each deal?

First, write the formulas from memory. You have 2 minutes. Do not turn the page until you have finished. These are TBS working formulas for this case; the specification lists the products and their features, not formulas.

What you are finding	Formula
Total paid under the personal loan	
Total paid under hire purchase	
Cost of credit (the extra paid over the cash price)	
Amount borrowed under hire purchase	
Cost of credit per £100 borrowed	