

**Ministry of Education, Science, Research and Sport of the Slovak Republic,
Ministry of Finance of the Slovak Republic**

National standard of financial literacy version 1.1

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Introduction

The Government of the Slovak Republic, with the resolution No. 447 from 2nd July 2008, has approved The Proposal of educational strategy in the area of financial management and management of personal finances, introduced by the Deputy of Prime minister of the Slovak Republic and Minister of Education. The material has been processed under article No. 5 of the Government Manifesto of the Slovak Republic. In the article 5.1 Training and Education is stated, that government considers Training and Education as the main instrument for its further development and the crucial condition of its successful adaptation in the integrated European area. Training and Education will develop according to the spirit of modern and global trends, with the dominant role of the State, acting in coordination with self-governing areas, municipalities and citizens.

At the same time, the Deputy of Prime Minister of the Slovak Republic and Minister of Education has been delegated another related tasks in cooperation with the Minister of Finance:

- ✓ To elaborate the standard of financial literacy for individual levels of reaching education, that complies with the strategic goals of education in the financial area and with area of management of personal finances,
- ✓ To implement the strategy of education in the financial area and management of personal finances to all state educational programs by incorporating standard of financial literacy through organizations directly administrated by the Ministry of Education of the Slovak Republic,
- ✓ To elaborate the model of further education of pedagogical staff in the area of financial literacy,
- ✓ To implement the strategy of education in the financial area and management of personal finances to other educational activities of further education and information system for lifelong counselling and to include the standard of education in the financial area and management of personal finances into the national system of qualifications in terms of the Proposal of lifelong education.

In relation to the above mentioned tasks, the National standard of financial literacy version 1.0. (Hereinafter „NSFL“) was elaborated in 2008.

In 2013, Ministry of Education, Science, Research and Sport of the Slovak Republic (hereinafter „MESRS SR“) submitted to the government session „ The Report on the state of education aimed to support the development of financial literacy“(hereinafter „The Report“) based on the task No. 9 of the Government Work Plan for 2013. By the resolution of the government of the Slovak Republic No. 661 from 13th November 2013, MESRS SR has been assigned the following tasks:

- ✓ To update the content of National standard of financial literacy in cooperation with the Deputy of Prime minister of the Slovak Republic and Minister of Finance,
- ✓ To elaborate the methodology for incorporation and application of financial literacy themes into educational programs of elementary and secondary schools and
- ✓ To submit to the government session updated report on the state of education aimed to support the development of financial literacy.

Updated NSFL defines the area of knowledge, skills and experience in the field of financial education and management of personal finances, which means that graduate of secondary school (higher secondary education), should be capable:

- ✓ to find, to evaluate and to use the financial information,
- ✓ to know the basic rules for personal funds management,
- ✓ to identify the risks in personal funds management,
- ✓ to set financial goals and to set their achievement
- ✓ to develop the potential of own income and ability to save,
- ✓ to use financial services effectively,
- ✓ to keep financial obligations,
- ✓ to aggrandize and protect your wealth,
- ✓ to understand and ensure basic human and economic needs of individual and family,
- ✓ to evaluate the success of self-fulfillment, to inspire with examples of successful people,
- ✓ to understand basic definitions in the area of finances,
- ✓ to be aware of the area of financial institutions (NBS, commercial banks, insurance companies and other financial institutions),
- ✓ to be aware of problems in protection of consumer's rights and to be able to execute them.

Financial literacy is the ability to use knowledge, skills and experience for effective management of personal funds with the aim to secure one's lifelong financial security.

Financial literacy is not an absolute state, it is the continuum of abilities, that are conditioned by variables like age, family, culture or residence. Financial literacy represents the state of continuous development enabling each individual to effectively react on new events and continuously changing economic environment.

In regard to the insufficient experience and the unaccepted requested level of responsibility, the actual college graduate will not show the same level of knowledge in the area of personal funds as the older, financially literate adult. Financially literate college graduates should, at least generally, understand all key aspects of personal funds. These graduates will be sure to independently find and use information needed in specific financial challenges they might encounter. In this relation, the National standard of financial literacy implies what knowledge, skills and experience must have pedagogical staff and pupils, so that they can continuously expand their knowledge about personal funds depending on their responsibilities and opportunities.

I. The way of implementation

The implementation methodology of the fundamental content of National standard of financial literacy must contain pedagogical and educational elements in accordance with modern European trends. In mediation of information about above mentioned topics that are elaborated into complete and partial competences, it is necessary to keep the relation to the

main framework of financial literacy as all-society edification and to deal with them in the relation to:

- ✓ the functioning of individual and families in the economic area, understanding the issue of wealth and poverty,
- ✓ the value orientation towards money,
- ✓ models of financial security of individuals and families with mentioning extreme cases,
- ✓ personal and family models of securing life needs.

Learning materials and tools will contain the analysis of economic functioning of families, models of functioning of economically successful individuals and copying their life path. They will emphasize the necessity to increase the amount of economically successful individuals as an important element of economic development of the country and will help to interconnect the talent with the vision of individuals' economic success. They will ensure the update of orientation in the area of products on the financial market and will enable to know the basic management rules of personal funds.

The present and each next revised version of the National standard of financial literacy provides the program design and evaluative framework for the school founders, teachers, designers of educational programs, authors of methodical materials.

Individual topics are broken down into partial competences. These individual topics are defined on levels, where we can find the description of knowledge, skills and experience that pupils should be able to demonstrate. In NSFL, these knowledge, skills and experience are recorded, in the majority of cases, in three levels.

The first level is, for the purpose of this standard, the first stage of the elementary school.

The second level is the second stage of elementary school, first up to fourth grade of eight year secondary school, the first grade of bilingual secondary school as well as lower vocational education and middle vocational education. Pupils are assigned to the second level because the primary purpose of field of study is the preparation for the profession.

The third level is intended for pupils of fields of study, who acquire full middle general education or full vocational education.

Amongst practical way of topics application and expectations of this standard, belong:

- ✓ the definition of problems and information area, that pupils would understand and would use them practically
- ✓ regulations for production and evaluation of educational materials for publishing,
- ✓ the framework for production of school educational programs, continual and lifelong education programs,
- ✓ An instrument in the production of books and methodical material for individual age categories.

After the authorization of the updated version NSFL, the methodology for the inclusion of financial literacy topics into school education programs for elementary and grammar schools, will be elaborated. The methodology will define individual concepts through practical examples. The dictionary of basic concepts will be part of the methodology.

Pedagogical staff will include the individual topics of the standard into the education according to the needs of pupils and educational conditions of school. Pedagogical staff can at the same time use the National Standard of Financial Literacy to create new topics within the

curriculum of general and vocational subjects of elementary and grammar school or financial literacy courses within financial education. As a support, Joint Expert Committee will create further resources via the Portal of financial literacy.

The Portal of financial literacy (www.fininfo.sk)

Available on-line portal, continuously updated by the Ministry of Finance of the Slovak Republic, will help pedagogists, pupils and graduates in the identification of relevant educational materials.

The Portal will create open space for discussion forums on present all society topics in the area of financial literacy and at the same time it will ensure the highest level of all society edification in the area of financial literacy.

II. The organization of competences

National standard of financial literacy defines minimal requests for the functional financial literacy of pupils through adopted competences. These are ordered as follows:

Topics, competences and partial competences

Competences gradually focus on the minimal level, up to the moment of graduating grammar school.

Topics, general and partial competences describe selected knowledge, skills and experience from the area of financial literacy. Overall, topics are ordered in seven selected categories of financial literacy – People and money; Financial responsibility and decision making; Securing money to fulfill life needs - income and expenses; Planning and financial management; Credit and debit; Savings and investments; Risk management and insurance.

Expectations

Expectations describe in what way pupils should be able to apply knowledge and skills in everyday financial decisions and activities. Expectations presume the progress in knowledge, skills and experience needed to resolve various life situations of the man and family.

III. Topics

1. People and money

General competence:

To consider the meaning of permanent life values, the influence of money and how to save it and to choose and set life priorities and starting points to secure life needs.

Partial competence 1: To consider permanent life values and adopt the relation between life needs and finances as a means of their ensuring.

Partial competence 2: To understand the relation between human work and money and the ethical connection between wealth and poverty.

Partial competence 3: To learn what it means living economically.

Partial competence 1: To evaluate permanent life values and adopt the relation between life needs and finances as a means of their ensuring.

Expectations, the student is able to:

Level 1:

Name basic human needs and basic human values.
Describe the role of family members in life needs.

Level 2:

Explain the relation between maintaining permanent life values and satisfying life needs.
Explain with concrete examples the function of money as the means to ensure life needs.

Level 3:

Analyze one's options as to financial contribution towards life needs within a family.

Partial competence 2: To understand the relation of human work- money and ethical connection between wealth and poverty.

Expectations, the student is able to:

Level 1:

Evaluate one's own experience with household chores.
Distinguish between wealthy and poor, based on examples from one's environment.

Level 2:

Explain relationship between human work and money.
Demonstrate via examples various views on wealth and poverty (from the perspective of work and money).

Level 3:

Present one's attitude towards money by active participation in financial management in the family.
Consider the ethical connection of wealth and poverty in the family and all societal contexts.

Partial competence 3: To learn what it means to live economically.

Expectations, the student is able to:

Level 1:

Introduce examples of economical handling of things, economical behavior in one's environment (household, school and village).

Level 2:

Make financial decisions based on one's real possibilities.

Level 3:

Give examples of good management (from literature, media, one's environment and one's experience).

2. Financial responsibility and decision making

General competence

To use reliable information and decision making processes in personal finances.

- Partial competence 1: To take responsibility for personal financial decisions.
- Partial competence 2: To find and evaluate information from various sources.
- Partial competence 3: To consider the meaning of anti-corruption efforts, anti- money laundering protection and protection of EU financial interests.
- Partial competence 4: To accept financial decisions by considering alternatives and results.
- Partial competence 5: To define various means of communication about financial issues.
- Partial competence 6: To briefly summarize main instruments for consumer protection.

Partial competence 1: To take responsibility for personal financial decisions.

Expectations, the student is able to:

Level 1:

Give examples of financial decisions and their prospective outcomes.

Level 2:

Give examples on how to be financially responsible.

Analyze examples of successful individuals on how to plan one's own professional path.

Level 3:

Analyze how financial responsibility varies in individuals without commitments with and towards dependent persons.

Evaluate the influence of financial decisions on the life of an individual, a family and society.

Control personal finances.

Partial competence 2: To find and evaluate information from various sources

Expectations, the student is able to:

Level 1:

Give examples, why it is worthwhile for an individual to be financially well informed.
Describe resources of financial information.

Level 2:

State the strengths and weaknesses of the internet and press resources about product information.
Describe basic types of bank products.

Level 3:

Identify relevant financial information needed for decision making.
Differentiate the work character of professional financial advisor and tax advisors.
Get information from internet portals including of investment internet portals
Identify financial institutions and their utilization via internet.
Analyze active and passive communication with financial institutions.

Partial competence 3: To consider the meaning of anti-corruption fight, anti- money laundering protection and protection of EU financial interests.

Expectations, the student is able to:

Level 1:

Suggest solutions for when one encounters lies, fraud and dishonest behavior.

Level 2:

Define corruption as breach of law (criminal act).
Explain the definition of money laundering.
Give examples of fraud related to the misuse of public resources.

Level 3:

Identify criminal acts, classified as corruption (accepting of a bribe, bribe-giving, bribe-giving, indirect corruption), as frauds, related to the protection of EU financial interests and as money laundering.
Describe corruption report procedure.
Search on the internet of those institutions, which are concerned with corruption, fight against corruption, protection of EU financial interests and protection against money laundering.
Differentiate types of financial frauds (internet, card, automated teller machine).

Partial competence 4: To accept financial decisions by considering alternatives and results.

Expectations, the student is able to:

Level 1:

Rank personal wishes / needs according to their relevance.
Define measurable short term financial goals.

Level 2:

Rank personal financial goals according to their priority.
Appraise the results of financial decisions.
Define steps for reaching short term financial goals.

Level 3:

Define steps for reaching short-term, medium-term and long-term financial goals.
Use responsible decision making in medium-term and long-term goals.
Analyze the impact of inflation on the value of money.
Give examples of how today's decisions can influence future opportunities.
Appraise the influence of taxes, levies and fees on a client's financial decision.

Partial competence 5: To define various means of communication about financial issues.

Expectations, the student is able to:

Level 1:

Give simple examples on how can personal information get to unauthorized persons.
Describe the potential consequences of revealing selected personal information.

Level 2:

Explain the possibilities of important personal information leakage.
Appraise consequences of personal information misuse.
Explain how communication about financially important issues can help prevent conflicts (financial institutions, clients).

Level 3:

Suggest steps to be taken by the victim of personal information leakage in order to repair damage.
Determine persons or subjects authorized to acquire personal information.
Give examples of contracts between individuals and business (financial) entities (to provide further definition- physical and business entity).
Identify main responsibilities of contracting parties in concluding agreements or deals.
Give examples of consequences related to the ignorance of contract terms including Terms and Conditions and its amendments.

Partial competence 6: To briefly summarize main instruments for consumer protection.

Expectations, the student is able to:

Level 1:

Give examples of possibilities of returning products to local stores.
Describe briefly basic consumers' rights.

Level 2:

Search information about consumers' rights including the right to file/make a complaint.
Define "financial consumers".

Give examples of deceptive or misleading business practices banned by Consumer Protection Act.

Give examples of counterfeited products (fakes).

Level 3:

Explain basic consumers' rights including practice (model situations).

Investigate internet and press resources on current information related to consumers' rights.

Evaluate price tricks and deceptive, misleading offers, fakes.

Identify common types of consumer frauds, including online frauds.

3. Securing money to fulfill life needs - income and expenses

General competence

An understanding and orientation in securing life needs of the individual and family.

Evaluation of the relation between one's profession and personal income.

Partial competence 1: To know and harmonize personal, family, social needs.

Partial competence 2: To evaluate educational and professional conditions from the perspective of fulfilling life needs and also evaluating main issues of succeeding in the financial area.

Partial competence 3: To identify resources of personal income.

Partial competence 1: To know and to harmonize personal, family and social needs.

Expectations, the student is able to:

Level 1:

Name personal and family needs.

Level 2:

Explain mutual relations between life needs of the individual and family.

Explain, when to save and when to borrow (the difference between savings and loans).

Level 3:

Explain usual ways of handling with available resources.

Evaluate the influence of consumption on savings and investments.

Partial competence 2: To evaluate educational and professional conditions from the aspect of fulfilling life needs and also evaluating main issues of succeeding in the financial area.

Expectations, the student is able to:

Level 1:

Describe relation between profession - employment.

Explain examples of succeeding and not succeeding in life, in general.

Level 2:

Identify internet and press resources about information on vacancies, career and business.
Compare personal skills and interests with various career options.
Give examples of successful individuals in the financial areas.

Level 3:

Set career goals.
Suggest a plan and time schedule for reaching career goals, including education and professional training, costs and possible indebtedness requests.
Analyze risks, costs and acquisitions in case of self-employed.
Discuss the relation between morality and money.

Partial competence 3: To identify resources of personal income.

Expectations, the student is able to:

Level 1:

Describe one's notion about personal income.

Level 2:

Explain the definition of wages (gross, net)
Give examples of sources of income apart from wages (e.g. gifts, commissions and earnings, household cash flow, state social support).

Level 3:

Differentiate nominal and real wages.
Explain the influence of inflation on the wages.
Give example of state contributions to financial products (e.g. savings and loan associations, mortgage for young people).

4. Planning and financial management

General competence

Organization of personal finances and using a budget for cash management.

- | | | |
|--------------------|----|---|
| Partial competence | 1: | To elaborate a personal financial plan. |
| Partial competence | 2: | To describe the ways to use various payment methods. |
| Partial competence | 3: | To apply consumer skills to responsible decision making related to purchases. |
| Partial competence | 4: | To explain the tax and levy system. |
| Partial competence | 5: | To consider contributions to donation and philanthropy. |

Partial competence 1: To elaborate personal financial plan.

Expectations, the student is able to:

Level 1:

Categorize household expenses and receipts.

Level 2:

Describe the personal receipts and expenses book.

Differentiate regular and irregular receipts and expenses

Describe the way to distribute budgeting funds required for one week into individual financial goals- spending, saving and participation.

Discuss components of personal budgets (receipts, expenses and savings).

Create a household budget

Know the types of budgets and their differences (balance, deficit, surplus) at the family level

Calculate percentage share of main categories of expenses within monthly's family budget.

Characterize main components of a basic last will.

Level 3:

Explain how to use a budget for controlling investments in order to reach financial goals.

Elaborate the personal budget of a young person living on their own.

Analyze personal and economic - social events that could change or influence personal budget.

Describe ways of covering deficits (loans, installment calendar, leasing).

Explain how to clear debt.

Describe the resolution for debt and surplus budget.

Create a card registration system of financial records in paper and electronic form.

Identify natural and legal persons who could potentially inherit personal property.

Partial competence 2: To describe the way of using various payment methods.

Expectations, the student is able to:

Level 1:

Describe everything that is paid by parents in the household.

Explain the usage of money in common situations (cash and cashless forms of money).

Level 2:

Characterize various types of local financial institutions.

Describe modern ways of payment.

Differentiate payment cards according to their function (debit, credit), their technology (with magnetic stripe and chip) and their realization (embossed, not embossed, virtual).

Find information on the internet about various virtual currencies

Characterize the function of e-money institutions.

Give examples of using cash and cashless systems of payment.
Search for trends of cashless operations.

Level 3:

Compare characteristics and costs of current accounts and debit cards offered by financial institutions.

Use the list of foreign exchange while exchanging money.

Discuss the advantages and disadvantages of individual payment methods.

Differentiate active and passive bank operations.

Partial competence 3: To apply consumer skills in responsible decision making related to the purchase.

Expectations, the student is able to:

Level 1:

Compare prices of the same product in two different shops.

Apply responsible decision making, adequate to the age, while shopping.

Level 2:

Describe price calculation as part of costs, profit, VAT.

Evaluate the influence of supply and demand on price calculation and its change.

External factors (e.g. marketing or advertising techniques) can influence the decision to spend money in various individuals.

Describe the decision making process during saving and spending financial resources.

Critically appraise information provided by advertisements.

Level 3:

Explain the influence of inflation on purchasing power.

Differentiate positive and negative influences of advertisement on consumers.

Partial competence 4: To explain tax and levy system.

Expectations, the student is able to:

Level 1:

Explain the difference between income tax and value added tax.

Give examples how the state uses tax income.

Use an internet calculator to calculate net wages.

Level 2:

Characterize tax and levy systems in the Slovak Republic.

Identify items deducted from gross wages.

Differentiate costs of work and gross wages.

Characterize examples of employee contributions as a kind of benefit.

Differentiate programs of social security scheme and health care.

Fill in an application for „Natural persons' income tax return“

Partial competence 5: To consider contributions to donation and philanthropy.

Expectations, the student is able to:

Level 1:

Describe with simple examples the meaning of mutual help and charity activities.

Level 2:

Analyze the connection between philanthropy and personal budget.

Describe possibilities of participation in charitable activities.

Level 3:

Clarify (based on information from various resources) activities of philanthropic organizations.

Explain the meaning of charitable activities and describe possibilities of participation.

5. Credit and debit

General competence

Maintaining sustainability, borrowing under favorable conditions and managing debt.

Partial competence 1: To identify the costs and benefits of different types of loans.

Partial competence 2: To evaluate ways to avoid problems with indebtedness and its management.

Partial competence 3: To have basic information about the various types of consumer loans.

Partial competence 1: : Identify the costs and benefits of different types of loans.

Expectations, the student is able to:

Level 1:

Define situations when a person buys and borrows things.

Justify a choice of buying us borrowing items.

Level 2:

Evaluate the advantages and disadvantages of using credit.

Describe examples of interest.

Identify payable and basic receivable interest.

Explain why using credit card is a form of loan.

Analyze the possibilities of raising funds through bank and non-bank entities and the advantage of buying on credit.

Level 3:

Use financial or online calculator to determine the total cost of a loan repayment with different interest rates and different lengths of payment.

Explain compound interest.

Characterize the annual percentage cost ratio (APCR).

Distinguish the concepts: interest rate, fixation, early repayment of the loan.

Explain what effect grace periods on credit cards have, methods of calculating interest charges and the costs of credit.

Propose the selection of the most suitable financial product in relation to one's needs.

Identify various types of student loans and alternatives to loans in order to finance higher education.

Partial competence 2: To evaluate ways to avoid problems with indebtedness and its management.

Expectations, the student is able to:

Level 1:

Discuss what can happen when borrowing valuables or money.

Describe what qualities a person should have who borrows your favorite personal possession.

Describe the procedure how a person can regain the confidence of a lender if the person lost or damaged the borrowed thing.

Level 2:

Explain the difference between bank and non-bank entities.

Give examples of legal and illegal methods of debt recovery.

Evaluate the importance of credit history and build a positive credit history.

Level 3:

Describe possible consequences of over indebtedness.

Explain the method of re-settlement of debt.

Analyze the consequences of financial decisions in relation to bank or non-bank entities.

Assess the purpose of declaring (personal) bankruptcy and the possible consequences to property, employment, cost and availability of credit.

Summarize the rights of borrowers and lenders regarding garnishing of wages and deprivation of property for non-payment of debt (execution).

Partial competence 3: To have basic information about the various types of consumer loans.

Expectations, the student is able to:

Level 1:

Explain that money can be borrowed from financial institutions.

Level 2:

Give examples of consumer credits and their providers.

Identify the various types of loans and their collateral security.

Level 3:

Explain the system of consumer protection for consumer loans, including collateral security features established in the relevant legislation.

6. Savings and investments

General competence

The application of various investment strategies that are consistent with personal goals.

Partial competence 1: To discuss how saving contributes to financial prosperity.

Partial competence 2: To explain how investing assists in meeting financial goals.

Partial competence 3: To evaluate investment alternatives.

Partial competence 4: To explain the method of regulation and supervision of financial markets.

Partial competence 1: To discuss how saving contributes to financial prosperity.

Expectations, the student is able to:

Level 1:

Describe how a person can save.

Level 2:

Give examples of how savings can improve financial well-being.

Describe the positive and negative aspects of saving for short term and medium term objectives.

Explain the value and importance of „an emergency fund“.

Explain why saving is a prerequisite for investment.

Level 3:

Describe the positive and negative aspects of saving for short, medium and long term objectives.

Explain the difference between saving and investing.

Partial competence 2: To explain how investing assists in meeting financial goals.

Expectations, the student is able to:

Level 1:

Give one's vision of what can be regarded as an investment (also focusing on non-material aspects).

Level 2:

Explain how the value of an investment can change.

Level 3:

Set an average or estimated cost of five- year's study of a university, a wedding, a business establishment, a payment on a new car, a flat / house.

Decide when to invest cash for short-term expenses or emergencies.

Differentiate trading on one's own account vs. third party account.

Partial competence 3: Evaluate investment alternatives.

Expectations, the student is able to:

Level 2:

Give examples of investments that give quick and easy access to financial means.

Introduce ways of using available funds (savings, products with state contributions, real estate).

Level 3:

Compare the main features of interest-bearing accounts in financial institutions (current accounts, savings accounts, term deposits).

Explain the definition of financial markets/exchanges.

Describe what is traded on the financial markets (equities, bonds, funds, commodities, etc.).

Explain the role of the securities dealer.

Explain the purpose of MIFID questionnaire.

Compare investing in individual stocks and bonds vs. mutual funds investing in stocks or bonds.

Explain how inflation affects income from investments (present value of money).

Explain how to adapt investments to financial goals.

Compare the risks and benefits of different types of investments.

Justify the choice of the most suitable product for the investment of financial resources.

Identify appropriate types of investments to accumulate funds for a five-year study at the university, a wedding, a new company establishment, instalments on a new car, and a house and a pension.

Partial competence 4: To explain the method of regulation and supervision of financial markets.

Expectations, the student is able to:

Level 1:

Describe the role of the Deposit Protection Fund.

Describe the difference between a branch of a foreign bank and a subsidiary.

Level 2:

Explain the single financial market supervision in the Slovak Republic – The National Bank of Slovakia as „a single point of contact“.

Explain the difference between the Deposit Protection Fund and the Investment Guarantee Fund.

7. Risk management and insurance

General competence

The use of appropriate risk management strategies

Partial competence 1: To explain the concept of risk and the concept of insurance.

Partial competence 2: To characterize public insurance and explain the difference between public and private (commercial) insurance.

Partial competence 3: To characterize commercial insurance.

Partial competence 1: To explain the concept of risk and insurance.

Expectations, the student is able to:

Level 1:

Give examples of risks that may be faced by individuals and households.

Level 2:

Describe the ways that could reduce or avoid various types of risks.

Discuss the relation between risk and insurance.

Define main types of insurance (life and non-life).

Level 3:

Discuss the relation between risk and threat.

Describe how to choose the most appropriate insurance product with regard to one's own needs.

Partial competence 2: To characterize the public insurance and explain the difference between public and private (commercial) insurance.

Expectations, the student is able to:

Level 1:

Explain why people need insurance.

Illustrate with simple examples how insurance works.

Level 2:

Explain the basic purpose of public insurance.
Characterize health insurance, social insurance, and within it, especially sick insurance, pension insurance, accident insurance and unemployment insurance.

Level 3:

Demonstrate via specific examples, what kind of public insurance must be paid in temporary student work.

Characterize pension insurance – 1st Pillar, 2nd Pillar and 3rd Pillar.

Partial competence 3: To characterize commercial insurance

Expectations, the student is able to:

Level 2:

Explain the nature and importance of insurance.

Distinguish between the main types of vehicle insurance.

Give examples of being covered by accident insurance and compulsory contractual vehicle insurance.

Explain the difference between an insured dwelling via home owners' insurance and its equipment.

Level 3:

List categories of insurance that might cover accidental damage to property or injury to another person.

Compare the conditions of insurance contracts in the context of compulsory vehicle insurance from various insurance companies.

Explain the difference between equity insurance and liability insurance related to the ownership of this property.

Identify factors which affect the price of housing insurance.

Explain the meaning and importance of life insurance with the delimitation between risk, capital and investment life insurance.

IV. Harmonization of National standard of financial literacy with the level of achieved education

Financial literacy standard	Level of achieved education
Level 1	Primary – the first level of ES (1st – 4th grade of elementary schools)
Level 2	Lower secondary education – the second stage of ES, 1st – 4th grade of grammar schools with eight-year study, 1 st year of grammar school bilingual studies Lower secondary vocational education – lower Secondary grammar vocational education – secondary
Level 3	Complete secondary grammar school - general education Complete vocational education

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and Sport of the Slovak Republic