



Otázka: Money matters

Jazyk: Angličtina

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Money matters

- I would like to speak about financial literacy, types of financial services, bank accounts, cards, how to solve finance-related problem and so on.

Definition of financial literacy:

- It is an ability to understand how money works in the world or it is set of skills and knowledge that allows people to make effective decisions about their money. I think we should learn it at school as well.

Types of financial services:

A bank or an insurance company are financial institution that offer various financial services to their clients. Among basic services are:

- Providing loans (= it means lending money to clients)
- Providing mortgages (= a loan that you use for purchasing of real property)
- Providing various types of insurance (health, casualty, life, travel, property damage, car insurance)
- Investments - you can take an expert advice on how to enhance your wealth



Investments:

- People invest their money, because they expect to earn more in the future. The benefit from investment is called a return. We can divide investments according to various aspects: short-term, long-term, low-risk, high-risk

Bank accounts:

Accounts allow us to transfer or save money.

- Current account - offers various payment methods to allow customers to distribute their money directly to others (you usually get a credit card)
- Credit account - thanks to a credit card you can spend more money than you own (in fact you spend money belonging to a bank)
- Savings account - offers better interests, but payment methods are more limited than on a current account

Interests:

We have 2 types of interests:

- Money that you pay a bank for a loan (the higher interest is the more money you pay back)
- Money that a bank pays you for money on your savings account (the higher interest is the more money you get)

And finally there are tips how to save more money and avoid finance-related problems:

- If you want to spend more, earn more(try to find part-time job for example)



- Consider all purchases if they are really necessary(don't buy useless things)
- Don't trust offers promising you get rich quickly and easily
- Don't sign any contracts you don't understand
- If you spend a lot of money, pay in cash (you know better how much money you spend)
- Write down a budget of your expenses and incomes