Chapter 18 Starter Activity Sheet – Teacher Sheet

Aim of the Activity

- Develop students' ability to **compare financial information**.
- Encourage weighing up **short-term vs long-term impact**.
- Build skills in **evaluating trade-offs**.
- Link to the **Unifying Strand** – gathering evidence and forming a balanced conclusion.

This activity is not about one "perfect" answer, but about **justified reasoning**.

Teaching Prompts at Each Stage

Scenario 1 – Monthly Repayments **Expected Choice:** Bank A

Reason: Lower monthly cost supports tight budgets and cash flow.

Scenario 2 – Total Cost

Which bank is cheaper overall? **Expected Choice:** Bank B

Reason: Mortgages total cost can vary with length of mortgage

Scenario 3 – Cashback

(2% of €500,000 = €10,000)

Should cashback influence a 30-year decision?

Expected Choice: Bank A (€10,000 vs €2,500)

Reason: Higher immediate benefit attracts consumers

Scenario 4 – Interest Type

Who benefits from certainty? Who might take risk? **Expected Choice:** Fixed rate → Better for stable/tight income (certainty).

Variable → Suitable for someone happy with risk for possible lower repayments.

Scenario 5 – Overpayments

Why might flexibility matter? **Expected Choice:** Bank B

Reason: Overpayments reduce interest and shorten loan term.

Final Decision Discussion Prompts

- Which factors matter most: monthly cost, total cost, certainty, or flexibility?
- Is short-term gain (cashback) more important than long-term savings?
- How does personal income stability influence choice?

Encourage students to:

- Use **at least three factors** in their final answer.
- Justify rather than simply choose.
- Acknowledge positives and negatives of both banks.

Students should realise:

✓ Financial decisions involve trade-offs.

✓ The "best" option depends on personal circumstances.

✓ Informed decisions require analysing multiple factors before concluding.