

Running Head: FINANCE



Financial Calculation

[Name of Student]

[Name of Institution]

Question 1

1.1) *Purchase of Annuity*

The purchasing of annuity is the most important decision in the financing institutions as once the individual purchases the annuity; there is no going back. Vera wants to purchase the annuity from her whole pension. While purchasing an annuity from a personal pension, Vera can only have a 25% quarter of the cashback top-up which would be tax-free.

		Annuity Scheme Amount					

5% from per month Salary	2200			
Time period of Pension	35	Per year Pension	26400	
Total Pension Amount	77000			
	Calculating Annuity from Pension Amount			
25 % of Total Pension Amount	19250			
Rate of Annuity in current year	3.65%			
Per Year Annuity on 25% Tax free rate	702.625			
Total Pension Amount	77,000			
Current Salary at Retirement	44,000			
	121,000			
Rate of Annuity	3.65%			
Total Annuity Recievd on the current year	4416.5			

1.2) Annuity Delay

If she delays her annuity from 65 years' retirement to more than 2 years, the annuity will increase. As the amount of the annuity will increase according to working more years in the firm, Vera will also apply the state pension. More work will increase her total pension as well, which will help her in purchasing the annuity with more amount which will help her in future and she will gain more amount than before.

1.2	Annuity Scheme Amount		
5% from per month Salary	2200		

Time period of Pension	37
Total Pension Amount	81400
	Calculating Annuity from Pension Amount
25 % of Total Pension Amount	20350
Rate of Annuity in current year	3.65%
Per Year Annuity on 25% Tax free rate	742.775
Total Pension Amount	81,400
Current Salary at Retirement	44,000
	125,400
Rate of Annuity	3.65%
Total Annuity Recievd on the current year	4577.1

1.3) Drawdown Scheme

For the next coming years, the invested amount in the drawdown scheme will be providing almost 33% interest on income before pre-retirement. The amount received after purchasing the drawdown from the pension would be 39930.

1.3	Drawdown Scheme Amount				
25% from per month Salary	2200				
Time period of Pension	35	Per year Pension	26400		
Total Pension Amount	77000				
	Calculating Drawdown from Pension Amount				

25 % of Total Pension Amount deducted as tax free	19250				
Remaining Amlount	57750				
Rate of Drawdown investement before retirement	33.00%				
Amount to be recived before pre Retirement	19057.5				
Total Pension Amount	77,000				
Current Salary at Retirement	44,000				
	121,000				
Rate of Drawdown fixed Income	33.00%				
Total DrawDown Recievd on the current year	39930				

1.4) Drawdown effects

The drawdown was not that much effective after some time due to less income receiving from the annuity amount, as the drawdown scheme depends upon the health issues in which the benefits will be received, but in the health of Vera is good, and she is physically total fit, which is causing her loss by investing the amount in drawdown effect. Another effect would be that Vera is living long in the retirement process as the amount has to be received based on pre-retirement. She is still working and not letting her pension amount go, but the effectiveness of the Drawdown scheme is much less than an annuity.

1.5) Pension Scheme

5% from per month Salary	2200				
Time period of Pension	35	Per year Pension	26400		
Total Pension Amount	77000				

A defined benefit plan provides qualified employees with retirement benefits. The employer guarantees each participant a certain amount of pension based on factors such as the salary and seniority of the employees.

Before retirement, employees have little control over finances. The company assumes responsibility for its investments and distributes them to retired employees. This puts employers at risk, and their return on investment does not exceed the number of defined benefits that retirees should pay.

Because of this risk, a defined benefit requires complex actuarial assumptions and guarantees that make management costs much higher. As a result, there are very few defined benefits in the general labour market, and a contribution system in recent decades has replaced them. The change in the defined contribution scheme will increase employee savings and pension savings.

Question 2

2.1) *Martin's Option*

The employer of the martin suggested him to work for half shift i.e. only morning shift work as he has to give time to her child, the company of martin which is basically a call centre firm allotted him to work for 20 hours per week from 40 hours and the company will keep him the salary based on 52 weeks per year. Under this arrangement, his weekly gross pay will be around £218, which will give a huge financial cut off to Martin in this condition.

2.1	Martin's Choice	
	offered shift hours Per week	20
	offered wages per week	218
	Per day amount earned/ wages	10.9
	annual pay weeks	52
	Earning per year at 20 shift hours	11336
	Official Working hours per week	40
	offered wages per week	436
	annual paid weeks	52

Earning on normal routine 40 hours per week	22672
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Martin statement is right as if he chooses the other option, he will have to face a financial loss of almost 50%.

2.2) Emma Opportunity cost

The price of options refers to the potential benefits given to individuals, investors and companies if they choose one option over another. The concept of cost reduction is a key economic concept. Because it is invisible by definition, it is easy to overlook the cost of an option if one is not careful. By understanding the possibility that only one investment opportunity may be lost, you can make better decisions.

Emma has been offered to work 20 hours and took the payment of 50 % of her official salary per year. The opportunity cost can be taken by Emma rather than martin to cover up the expense. The amount received from the government for the child expense may help out for the current year, and some savings may be included.

2.2	EMMA Choice	
offered hours		20
official salary an year		26,100
official working hours		40
payment tunure		52
offerd amount on 20 hours		50%
the amount annually earned after the acceptance of offer.		13050

2.3) Taxation Analysis

2.3	Annual Analysis						
Martin offerd acceptance amount after tax	11,115.68						
Emma officail Earning after tax	21,388	Annual Child Care amount recived					1094
total Income of the Family	32,503.68	Expense Per week					150
		Expense per month					600
Martin before tax	11336	Expense Per year					7200

Martin After tax		11,115.68		Deficit on Fianance					-6106
		220.32							
Tax Rate on Martin		2.20%							
Emma Earning Before Tax		26100							
Emma Earning After Tax		21388							
		4712							
Tax Rate on Emma		4.71%							
Total House hold Expense		11,038.32							
Total House hold Earning		33,597.68							

These analyses show the current tax ratio applied on the income of the Martin after Offered amount, and Emma is working on routine as normal. The household expenses are also represented in this case. The household earning per year is 33,597.68, which is the current opportunity cost for all the family to take the offered amount and the tax valuation is also low due to payments cut off of martin.

2.4) *Martin Gives Up*

2.4	Martin giving up on Work	
if martin give up on paid work entirely		0.00
Emma officail Earning after tax		21,388
total Income of the Family		21,388.00
Martin Gives up Working		
No amount of child care house hold		

Emma Earning Before Tax		26100	
Emma Earning After Tax		21388	
		4712	
Tax Rate on Emma		4.71%	
Total House hold Expense		10,818.00	
Total House hold Earning		21,388.00	

As compared to the last scenario of analysis. If Martins give up on working to pay full concentration on Lola (her Daughter), the financial crisis of the household will increase. The household income will only be earned by Emma, which will be too little to cover all the house expenses. Lola's school expenses would not be covered up late in this will be the condition remaining in the scenario. The current opportunity can be considered as to give time to her child as she required, but the opportunity cost could not last long, more than a year, as martin have to start working again to cover the expense of the household and Lola's coming expenses. **Question**

3

3.1

"Some say basic income will allow them to return to life due to unemployment, while others say it gives them the right to reject low-paid and unpaid jobs, thereby increasing their influence." According to the report of Finland's first large-scale study, which has been designed and revived interest in cases of coronary heart disease. "Compared to the control group, basic income recipients are happier with their lives and less mentally burdened." (Ståhl et al. 2020). 3.2

Pros and Cons

Pros of a universal basic income over means

To eradicate poverty

According to UBI supporters, this could help keep everyone's income above the poverty line. In an interview with Vox, Annie Lowrey, author of giving People money, said: "We only

have a huge amount of experimental data from the United States, other countries, Iran, and the world. These data show that giving people money reduces poverty (Bergamante et al., 2019).

Encourage low pay

According to the fans, UBI provides employees with sufficient protection to have a contractual right. Laurie said, "Why spend \$ 7.25 an hour on a simple job if you have a \$ 1,000 monthly guarantee?"

Redistribution of wealth

Economic growth in high-income countries has made the rich richer, but it does not particularly affect the working class. The idea of "universal heritage" was invented by economist Thomas Piketty (De Wispelaere et al., 2019).

Cons of a universal basic income over means

Cost

The cost of running a UBI can be high. In the United States, it is estimated at around \$ 3.9 trillion a year, while in the United Kingdom, the cost of reviewing the tax and welfare system is estimated at £ 28 billion. The idea is that UBI can reduce the pressure on medical services and run social security organizations, but it is still a huge state budget (Young, 2019).

3.3

Gross Basic Income (UBI) is a national income forecast where every adult citizen regularly receives a fixed amount of money. The purpose of the basic income system is to reduce poverty and replace, on-demand, other social programs that require greater participation in the work of the clergy.

As automation increasingly replaces manufacturing and other industries, comprehensive basic income has evolved in the United States. The idea of providing all members of society with a basic income for centuries (Tsvirko, 2019).

Part B-1400

“Improving one's financial capability earlier on in the life course, especially for women, is the most important factor contributing to achieving financial well-being in later

life”.

Over the past decade, many governments have developed national financial literacy skills to improve the financial situation of their citizens. First, these approaches seek to improve financial literacy through financial education programs (Pareliussen et al., 2018).

In many cases, special political attention has been paid to economically disadvantaged people (such as women). Despite significant investment in financial education, financial literacy has not improved significantly in most three countries. In addition, the effectiveness of many such financial education programs does not appear to have been fully assessed, and there are signs of financial stress and financial anxiety (Parth et al., 2020).

In general, these comments show that the current financial education policy has its shortcomings. Against this background, the main motivation for our research is to recognize that narrow efforts to improve financial literacy through financial education mean that other factors that may contribute to overall financial well-being are ignored. While it is widely acknowledged that financial literacy should provide people with the knowledge and intellectual skills needed to understand the financial sector and manage their finances, other factors also play an important role (Parth et al., 2020).

Having these qualities means that people are more likely to have positive control over their financial future and have the incentive and ability to take reasonable and fair steps to achieve better results (Adkins et al., 2020). Analyzing an individual's financial management personal behaviour has business models that can be better integrated into psychological measures to gain confidence and control over one's financial management ability to understand better the factors that contribute to it. Their financial consequences. Some believe that the study of personal financial behaviour must include psychological theories that explain the development of personal behaviour (Adkins et al., 2020). This article uses the psychological dimension to extend the standard economic model of personal financial management behaviour to measure the persecution of an individual to manage financial management successfully and achieve financial goals (financial automation) and thereby achieve that goal.

In addition, there appears to be a strong correlation between women's financial automation and their ability to own financial products. Therefore, greater financial efficiency is associated

with a greater likelihood that women will have at least two or more, or even if they have three product category investment/mortgage/savings products and low financial automation, two debt-related products are possible simultaneously. The second conclusion is that financial automation has nothing to do with the probability that the women in our sample will buy private or life insurance. Insurance decisions do not appear to be related to changes in risk. This means that other factors determine insurance decisions. In particular, large discounts and rebates on tax reductions under the Australian tax policy can be important factors for individuals choosing to take out private health insurance (Mannevu, 2019).

Our results show that financial automation plays an important role in explaining women's financial behaviour, which goes beyond financial literacy and is politically very important (such as financial research) to improve financial information. While financial education programs can help improve the financial situation of women, our findings show that women's self-confidence in managing their finances is also an important factor that cannot be ignored. We know from several studies that women's confidence in their abilities is lower than men's, so the results of our analysis are very important for methods to fill the gap between men's and women's financial performance. . female. The key message of our analysis is that, in particular, political efforts to improve the financial situation of women should go beyond financial education programs. In addition to policies to improve women's financial literacy in education, there is a need to include tools that enable them to increase their self-confidence or self-confidence, manage their finances and abilities, and cope with the financial difficulties they may face. Indeed, our results point to future research to better decide on financial automation so that policies can be designed and implemented to improve women's financial performance (Johnson et al., 2020).

There is a lot of literature to learn, but it can be difficult to explain their meaning, especially financial performance outcomes. For example, in many studies, a clear understanding of financial concepts such as inflation, the monetary value of money or compound interest rates is associated with better financial decisions. On the other hand, some studies have shown that access to financial education (i.e. (only sharing such information)) does not necessarily actually improve financial literacy (Halmetoja et al. 2019), despite the impact of direct financial education on behaviour before a woman has made financial decisions. Fifteen years of general education (especially university) is related to the improvement of financial literacy. Unlike training focusing on formal

financial concepts, it can be based on experience (i.e. heuristic 17), leading to improved financial behaviour. Most research on personal education, training and behaviour in financial information has been published in home finance, and there is very little causal research on the relationship and financial behaviour. Collects more general information on the relationship between knowledge and behaviour and its associated factors from a larger number of networks. Research areas include health, health counselling, energy use, education, cognitive psychology, sociology, and social marketing (Kangas et al., 2017).

However, the relationship between knowledge and behaviour has not been identified and explained in all areas studied. In addition, there is a recognized lack of financial literacy and financial well-being in household finances and approaches to defining and measuring financial behaviour. Financial literacy is generally defined with very few exceptions based on actual knowledge of specific financial concepts or levels of accounting. Research has examined how different types of financial information affect financial behaviour or what factors limit or facilitate the transformation of financial information into financially beneficial behaviour. In general, we find that understanding the financial situation is very limited; Happiness is often confused with behaviour that is considered “positive” because it is seen as guiding people toward financial wellbeing, with little evidence of reliable long-term research (De Wispelaere et al. 2019).

Also, the gender gap in financial literacy among young Americans. (Stadelmann-Steffen et al. (2020) show that there is a gender gap in financial literacy for all age groups, including those under 35. A Dutch study on financial literacy among 8-18-year-olds also found that boys could better answer information questions than girls (Johnson et al. 2020). A survey of university students in the United Kingdom, De Wispelaere et al. (2018), found that young women have less knowledge of personal financial management than men. These data suggest that more research is needed to understand whether very small factors contribute to the gender gap in financial literacy and to what extent this gender gap is passed on between generations. To some extent, gender differences can be linked to the different opportunities for men and women to experience financial problems in life and, therefore, be linked to demographic, social, and economic factors (Mannevu, 2019).

Indeed, empirical studies show that the gender gap in financial literacy is related to the difference in the socio-economic status of men and women. Still, the gender gap can only be

explained by the social demographic differences of individuals. In the Netherlands, age, marital status, income and education levels are being reduced, but this is not closing the gender gap in financial literacy. Similarly, based on current and previous education, income and marital status, the US population showed that the financial literacy gap narrowed by 25% (Mannevu, 2019).

Part of the C

I believe that real learning requires much more than just listening to lectures, reading books or watching videos. While all of this may be part of the learning process, it requires practical practice and a genuine desire to know the subject of actual learning. Whether in the classroom or a clinical setting, the learning process should not be static but should be asked back and forth between teachers and students. To be successful in my future career, I need to develop and acquire communication skills, expression skills, language skills that will be useful for my future career, and career development will help me understand my strengths and weaknesses. And figure out where I should heal. This report presents five sections, including an introduction, skills development, employment reflection, an action plan, and conclusions to further develop my skills. As part of developing professional skills in the restaurant sector, I discuss the evaluation and reflection of skills processes during interviews. To reflect on recruitment skills, I discuss with my experience what I learned from the module (Kangas et al., 2017).

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