

Name: \_\_\_\_\_

Class: \_\_\_\_\_

# Managing money

## Film: Investing money

Worksheet 11

### Investment options

Cut out the cards on the following page. Find the descriptions matching the various forms of investment and stick them into the appropriate column of the table.

| Investment in a bank account |             | Investment in securities |             |
|------------------------------|-------------|--------------------------|-------------|
| Form of investment           | Description | Form of investment       | Description |
|                              |             |                          |             |
|                              |             |                          |             |
|                              |             |                          |             |

# Managing money

## Film: Investing money



The investor

- does not tie up their money for a specific period of time;
- can access the entire amount on a daily basis.

The investor can pay in a amount of their choice at any time. A maximum of €2,000 can be withdrawn in any one month. If an investor wishes to withdraw a larger amount of money, they must give at least three months' notice.

Shares

The investor buys a small percentage in the value of a company. They do not receive a fixed rate of interest, but rather a percentage of the company's profit, which is known as the dividend.

If the company is mismanaged, the shares may lose value or may even be rendered completely worthless.

Savings accounts

The investor loans the issuer (a company or a government) an amount of money. In return, the investor receives interest. The issuer repays the amount of money they received as a loan (nominal value) after a fixed period. There is a risk of loss if the issuer becomes insolvent.

Bonds

Mutual funds

The investor buys fund shares. The money is invested in a selection of several securities or real estate. Diversification reduces the investment risk. The investor receives any income, but may also suffer losses.

Instant-access savings

The investor deposits a specific amount of money in an account for a pre-determined duration. During this time, the money cannot be accessed.

Time deposits