Money management: B1 – B7

This chapter aims to give the student knowledge and skills within the field of Money management. That they gain knowledge of interest, annuity, mortgage, etc.

- **What is annuity?**

  The amount of money payable yearly or at other regular intervals.

- **Principal debt**

The initial amount of money borrowed from the bank.

- **Interest**

Interest is the price you pay to borrow money or the cost you charge to lend money. Interest is most often reflected as an annual percentage of the amount of a loan. This percentage is known as the interest rate on the loan.

- **Interest rate**

The cost of borrowing money expressed as a percentage.

- **Purpose loan**

Loan in which the purpose of the use of funds is precisely determined.

- **Mortgage**

The term "mortgage" refers to a loan used to purchase or maintain a home, land, or other types of real estate. The borrower agrees to pay the lender over time, typically in a series of regular payments that are divided into principal and interest. The property serves as collateral to secure the loan.

- **Loan calculator**

A tool for calculation of loan repayment plan.

- **What is money management?**

The process of expense tracking, investing, budgeting and banking.

- **Financial liquidity**

Refers to how easily assets can be converted into cash.

- **Investing**

Investing is the act of allocating resources, usually money, with the expectation of generating an income or profit. You can invest in endeavors, such as using money to start a business, or in assets, such as purchasing real estate in hopes of reselling it later at a higher price.

- **Saving**

The money one has saved, especially through a bank or official scheme.

- **Tax**

A tax is a mandatory fee or financial charge levied by any government on an individual or an organization to collect revenue for public works providing the public expenditure.

- **Loan**

The money that an organization such as a bank lends and somebody borrows.

- **Broker**

A person or firm who arranges transactions between a buyer and a seller for a commission when the deal is executed.

- **Profit**

A financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.

- **Transaction**

Is a completed agreement between a buyer and a seller to exchange goods, services, or financial assets in return for money.