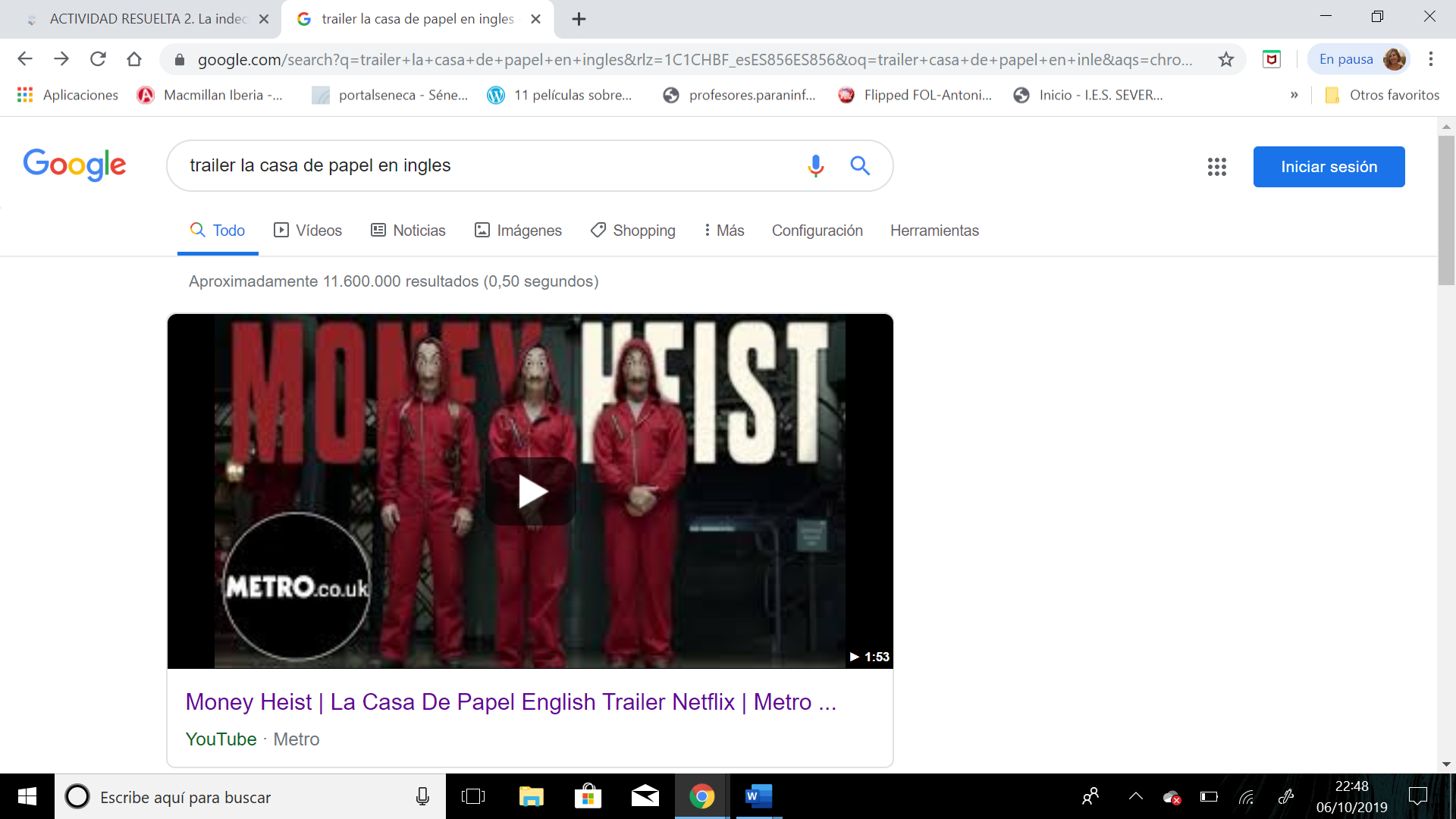
**3° DU TOPIC**

***“To know how a bank works to create and finance a new business for young people; getting to know the Stock Exchange and the financial market for personal investments”***

1. **WARM UP ACTIVITY:** **Viewing trailer for the series "La Casa de Papel", which deals with a robbery at the Bank of Spain.**



<https://youtu.be/5V73ftGCL7g>

After viewing the video, we will perform a Braimstorming on two issues:

- What is the role of the Bank of Spain?

- What do banks do?:

**2. In order to understand what operations a bank performs, it is necessary for students to know:**

**- What are the economic units of consumption and in what situation can they be found?**

**- What is the financial system, what is its function and who is part of it?**

* 1. **1.1. We explain the economic units of consumption within our society and identify their possible economic situations.**

**Economic units with surplus**

**Income > Expenses**

**Economic units with deficit**

**Expenses > Income**

**Activity 1:** activity to identify the financial situation of a family and provide possible solutions.

The Erasmus family has an income of € 30,000 per year and has to face expenses of € 35,000 per year.

a) What is the financial situation of the family, budget balance, deficit or surplus?

Solution: Deficit (expenses are higher than income)

b) What should the family do?

Solution: Go to the bank and ask for a loan and thus be able to finance part of their expenses.

* 1. **We explain what the financial system is, who is part of it and what is its main function.**

**Who can save? Investment**

**Families Families**

**Companies savings 🡪 financial system 🡪 loans Companies**

**Public sector Public sector**

**Activity 2:** activity to identify the economic units, its financial situation and what solution is proposed within the financial system.

Say what type of economic unit it is and what solution can be proposed within the financial system in each of the following cases:

1. José Manuel Jiménez has annual income of € 40,000 and annual expenses of € 35,500.

Solution: Economic unit with surplus, invest his savings in a financial institution.

1. The annual budget approved in a certain municipality is as follows: Income of € 500,000 and expenses of € 575,000.

Solution: Economic unit with deficit, request a short-term loan from a financial institution.

1. c) The company Pollito Rapidín, S.L., has, for the next year, an income of € 200,000 and expenses of € 275,000.

**Activity 3:** activity for students to be aware that money cannot be obtained without going to the financial system.

The students of the IES SEVERO OCHOA have founded the company “El Imprevisto, S. Coop. And. ”, with the intention of publishing both a weekly magazine and the textbooks that will be used in their school. They are thinking of renting a commercial space near the school for which they will pay € 350 per month.

1. Would they have the possibility of obtaining the necessary resources without using the financial system? What difficulties would they encounter?

Solution: No. In the first place, because it does not coincide with another company or individual (those who save) that has the necessary capital. Second, the wishes of these savers do not coincide with those of the company (investor) in terms of the return period and return on capital.

1. What solutions can be proposed within the financial system?

Solution: Go to a bank and request a loan for the amount they need.

**SUBTOPICS**

1. ***To understand the operations of a bank***

**We explain that private banking is one of the financial institutions that are part of the financial system and, afterwards, we teach what their main function is and what operations they carry out.**

* The main function is to put in contact savers (economic units with surplus) with people who need financing (economic units with deficit).
* The operations carried out by private banking, in general terms, can be divided into three:
* **• Passive operations** (they imply a payment obligation from the banks to the clients): these are the deposits of the clients, such as checking accounts and time deposits. They charge an interest on it. BANKS RECEIVE MONEY FROM CUSTOMERS (SAVERS).
* **Active operations** (They suppose a right for the banks to charge on the clients): they are the loans and credits that the bank offers. The clients pay an interest on them. BANKS LEND THE MONEY OF THEIR CUSTOMERS..
* **• Financial services:** They are those provided by the bank in exchange for charging a commission, such as transfers, cash transactions, direct debit of receipts, etc.



**Activity 4 : Decisions about financing.**

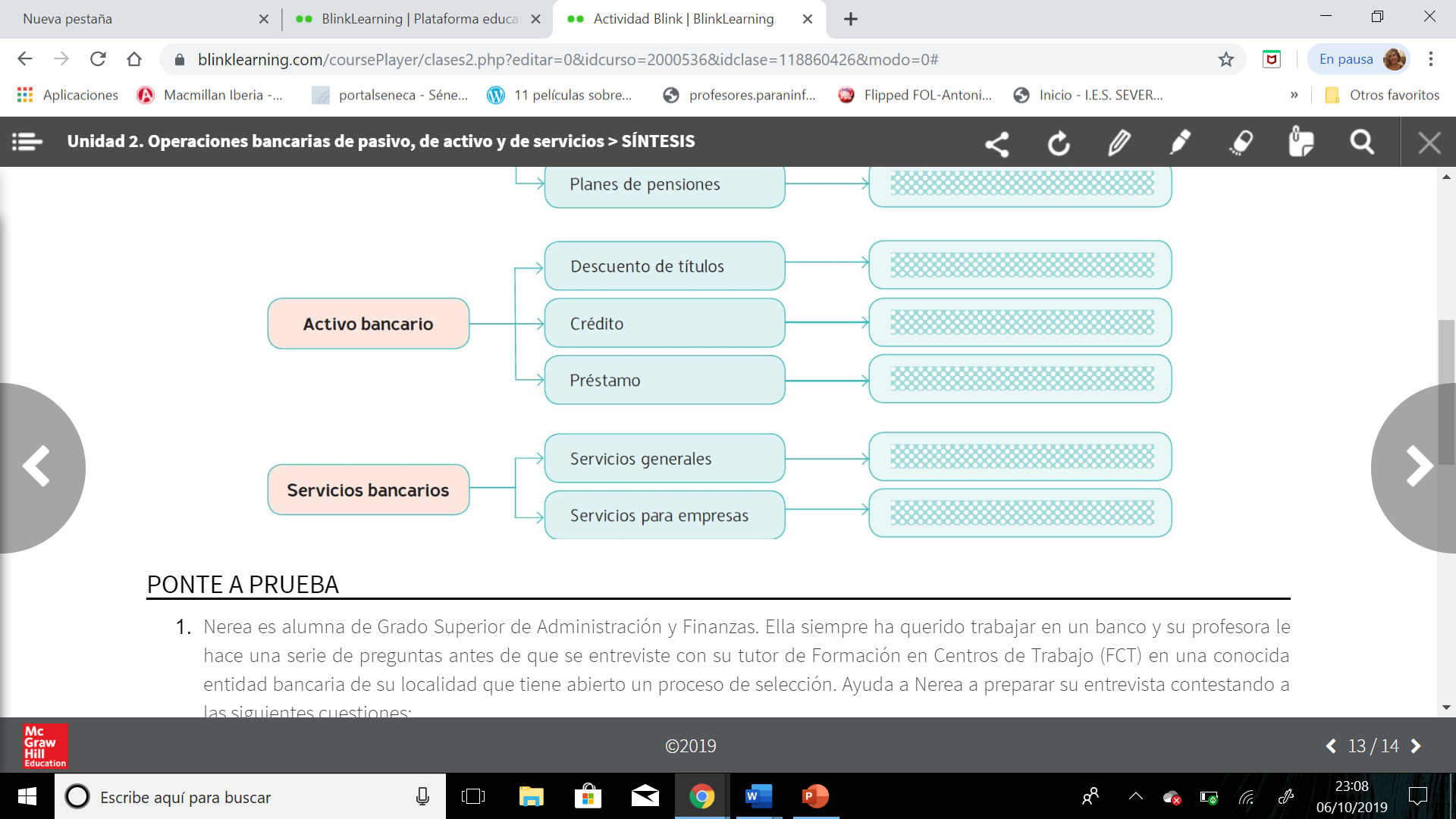
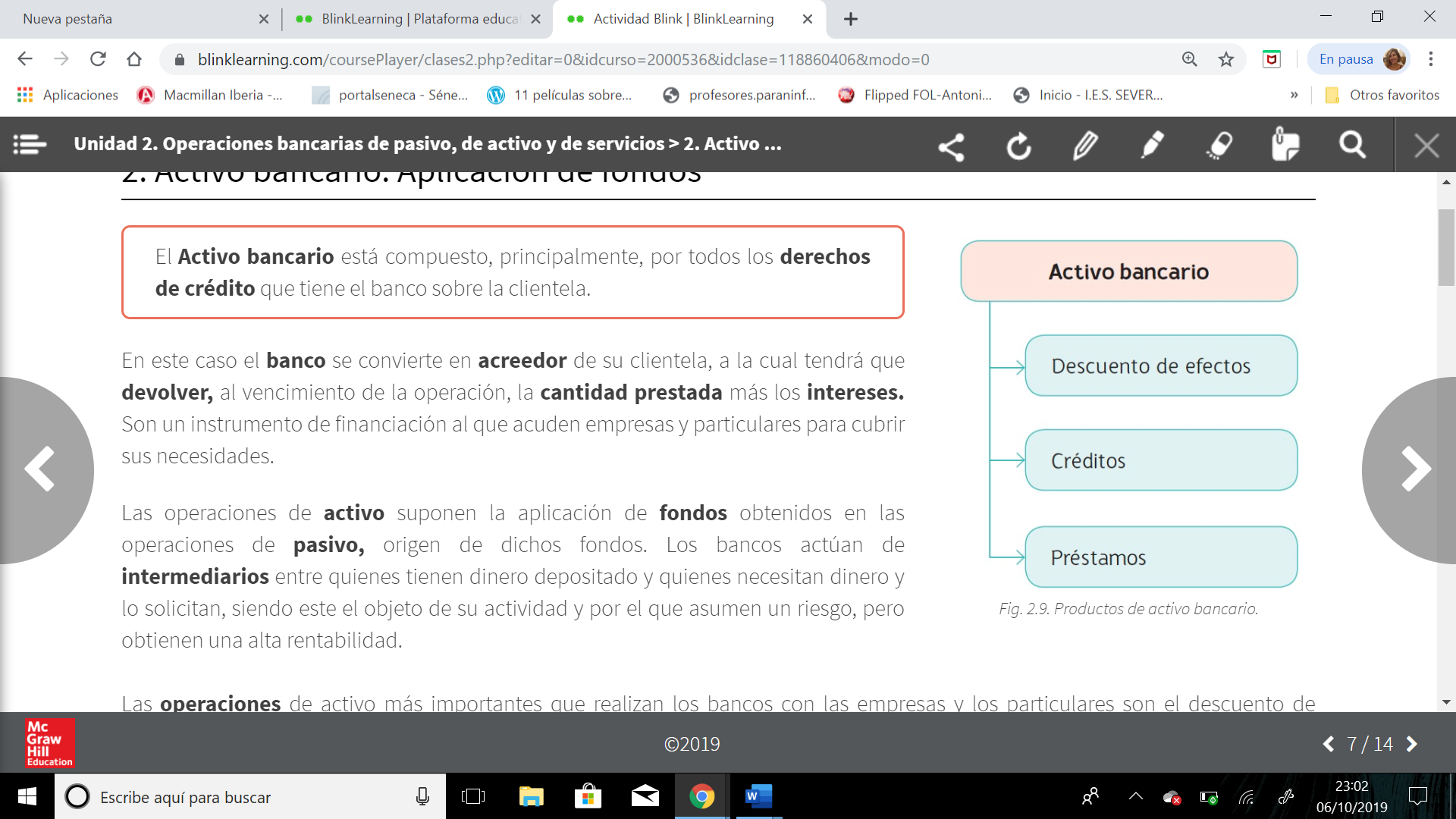
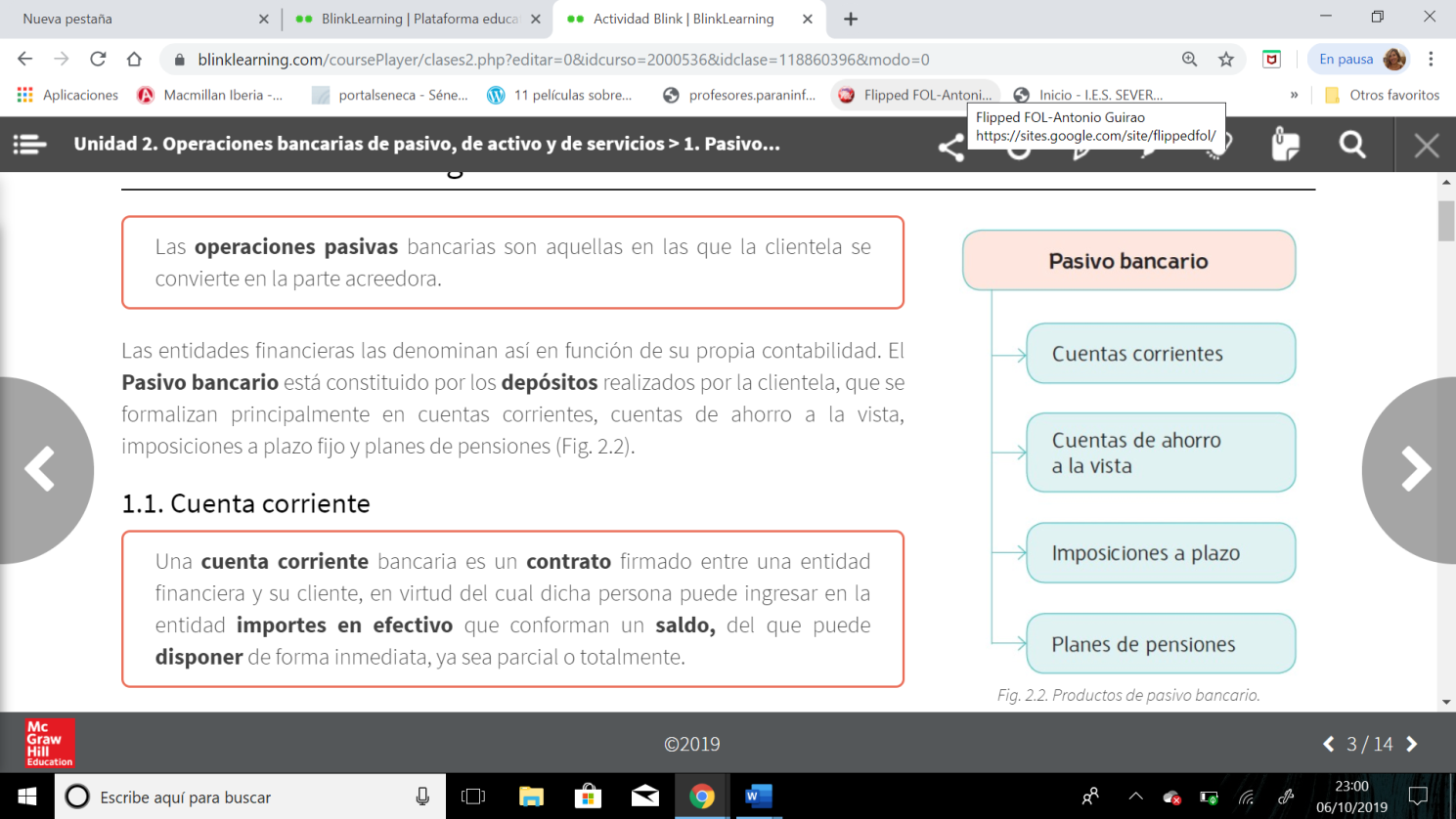
The partners of “El Imprevisto, S. Coop. And. ”, have to make different decisions regarding the financing of their company:

* 1. What to do with the € 2,000 that they have contributed to carry out their activity and that they have kept in the company cash register.
  2. Find those who can lend them money to rent the premises and to buy a printer, ink and enough paper for three months.
  3. Request a bank credit and debit card for possible payments.

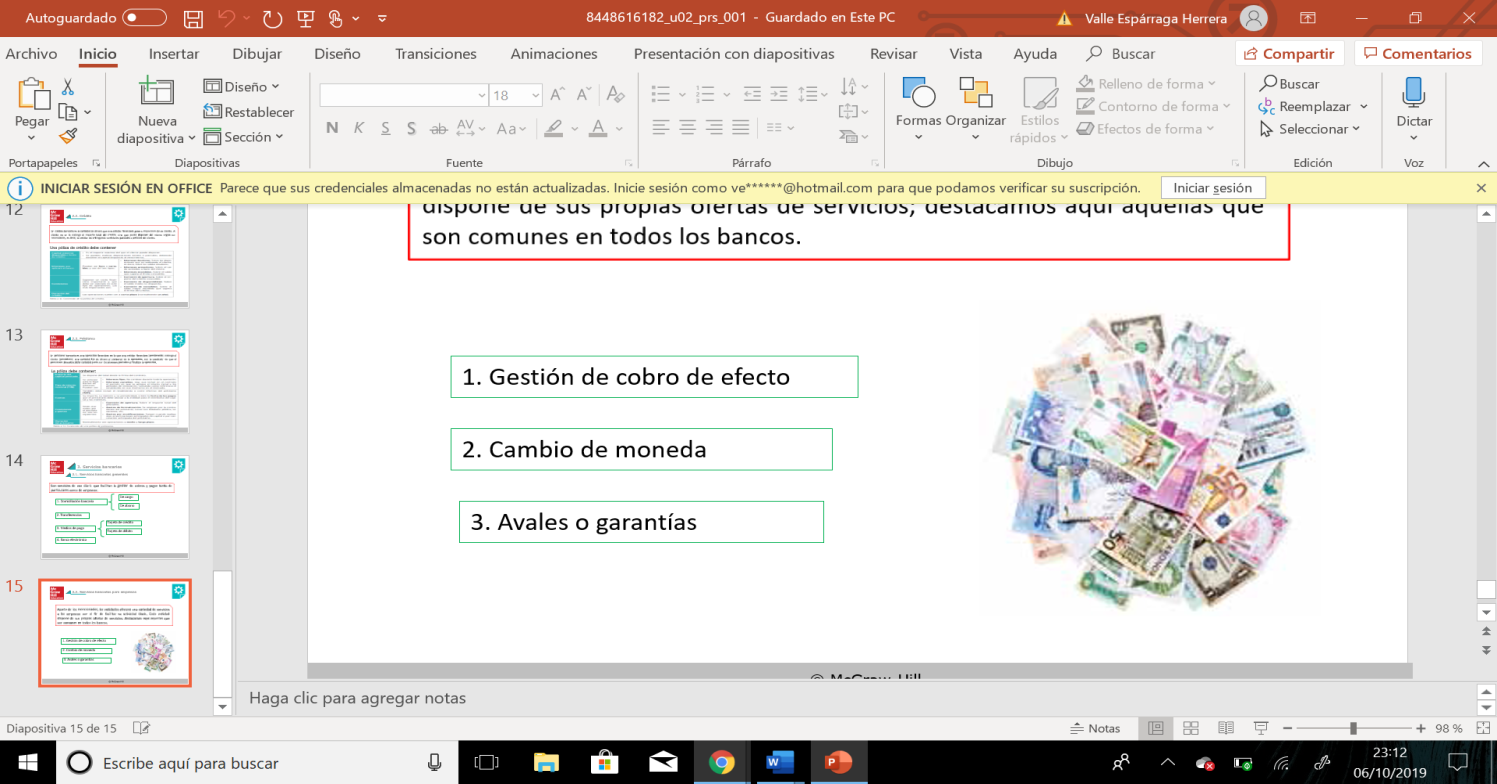
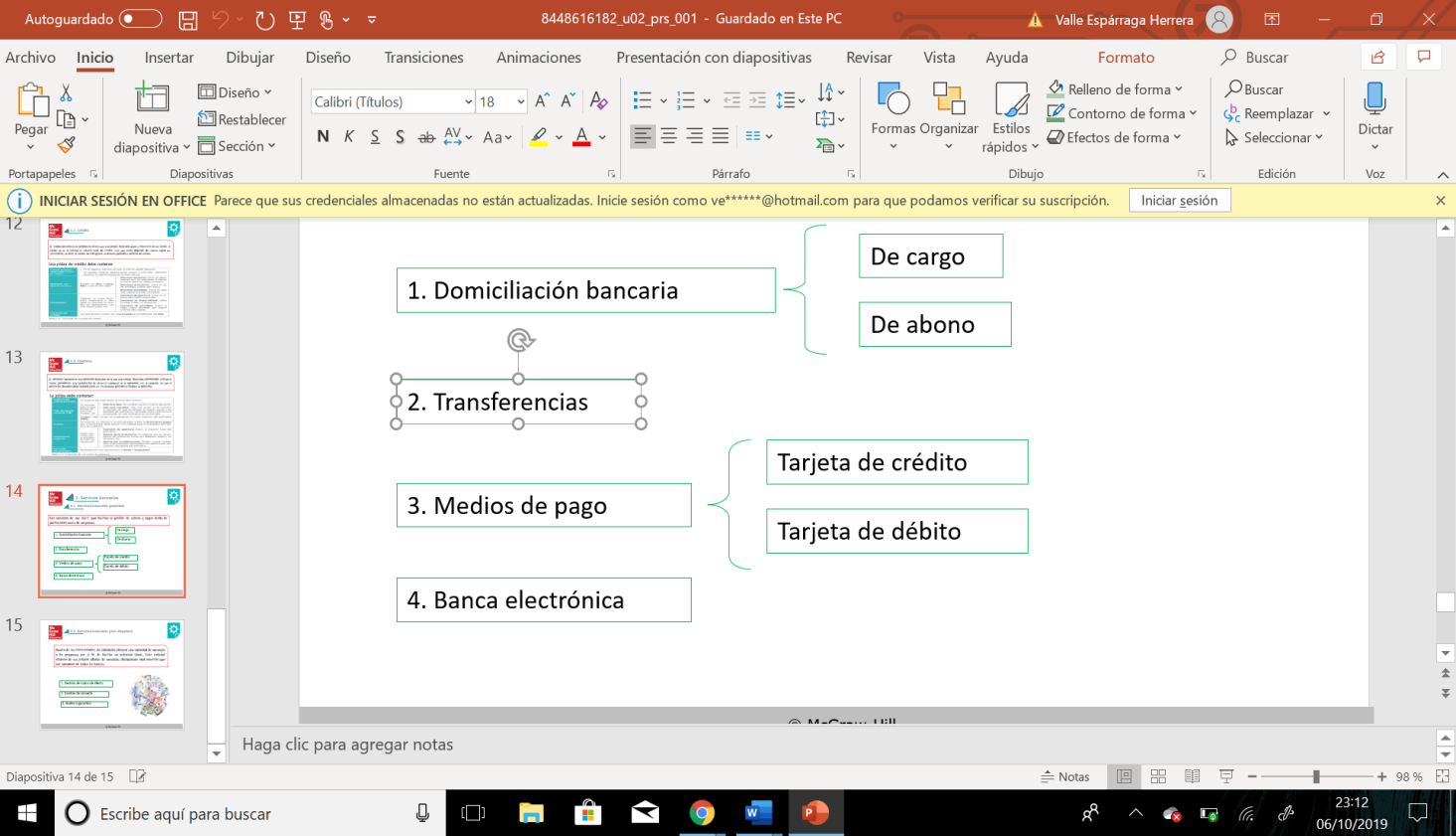
Identify each decision with each of the analyzed banking operations.

1. ***To recognize the main banking products and services***

**We explain the main products offered by banks and relate them to financial operations.**



Servicios bancarios generales Servicios bancarios para empresas



**Activity 5:**

After visiting different banks, the company “El Imprevisto, S. Coop. And. ”, plans to contract the following banking products with CaixanBank: a checking account, a fixed-term deposit and a loan. In addition, its director, Paco Galán, usually pays with the company's credit card and transfers are made from the checking account, where the utility receipts are also domiciled.



¿ What type of banking operation corresponds to each of those described above?

Solution:

* The checking account and the fixed-term deposit are passive operations, since they are deposits that the company makes in the bank, which will generate returns (interest).
* The loan and the credit card are active operations, since the company must pay interest for their use.
* Transfers and direct debit bills are services provided by the bank, for which the entity will charge expenses (commissions

**We explain what a checking account is, how it is opened, the necessary documentation, the account number and its main characteristics.**

**Activity 6: Visit to a bank and opening of a checking accounte**

Los socios del Imprevisto visitarán una entidad bancaria para abrir dos cuentas corrientes y solicitar la utilización del servicio de BancaOnline. Además, analizarán los intereses que el banco les liquidará utilizando un simulador (Simulador Edufinet)

**Activity 7: To learn how to read a bank statement**

**We explain how online banking works, using some of the services they offer and explaining the security measures that banks use.**

**Activity 8: Learn how to make bank transfers**

*El Imprevisto Magazine* members have to make a transfer of € 150 to pay for the printer they are going to buy.

**Activity 9: Learn to use the Bizum App**

*El Imprevisto Magazine* members will allow their clients to make payments through Bizum, for them they need to test if it works correctly so they put a Bizum of € 10 between two partners.

1. ***To know the most relevant financial instruments, and how young people can orient themselves in this panorama to create a business***

**We explain the bank loan, the mortgage, and the credit card.**

**Activity 10: Request for a loan of € 300, using the bank's app**

*El Imprevisto Magazine* members will request a loan of € 600 to be able to pay for the first three installments of the rental of the premises and will analyze how much interest they are going to becharged. In addition, they will use the Edufinet Simulator to see how much they will have to pay each month.

**Activity 11: Application for a mortgage through the mortgage simulator of the bank's app.**

*El Imprevisto Magazine* members will request a € 60,000 mortgage to analyze whether they are interested in buying the premises in which they are currently working. In addition, they will use the Edufinet Simulator to see how much they will have to pay each month.

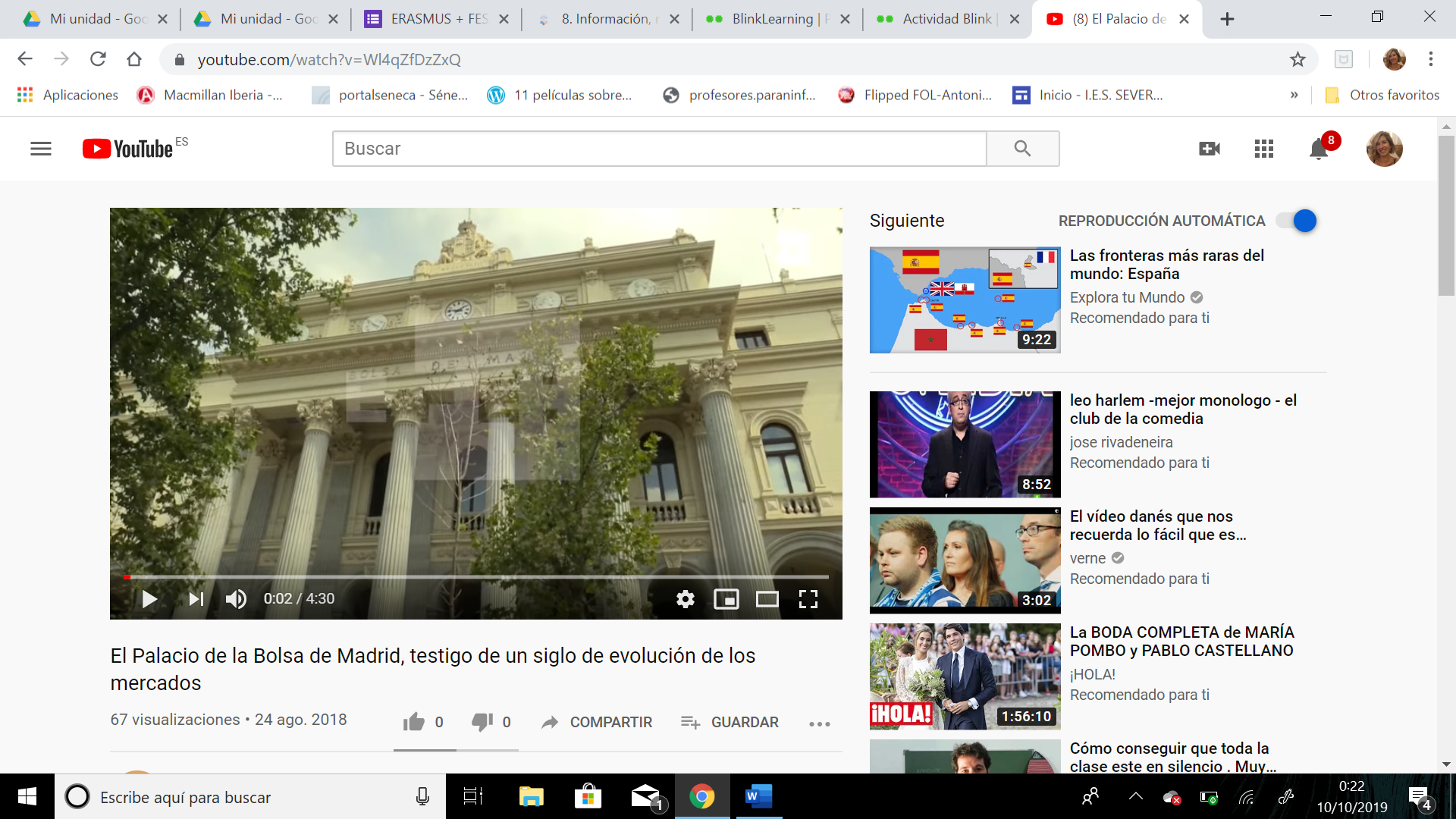
**Activity 12: Application for a credit card (VISA) through the bank's app.**

Paco, the director of the Imprevisto needs a credit card to be able to make purchases and pay at the end of the month. For this reason, he will request this bank card together with his students through the app.

1. ***To know the Stock Exchange and the financial market***

**We explain what the Stock Market is and what is traded on it.**

**Activity 13: Video about the Madrid Stock Exchange building**



[**https://youtu.be/Wl4qZfDzZxQ**](https://youtu.be/Wl4qZfDzZxQ)

**Activity 14: Talk by an expert in financial markets through the Edufinet Project.**

**Activity 15: Videogame Wall Street Kid.**

The story of the game is as follows: a boy becomes rich overnight thanks to a relative of his for an inheritance (half a million dollars). But this relative put a condition on the young man: that he earn enough money investing in the Stock Market to recover a castle that belonged to the family, although he also demanded other types of luxuries to satisfy the desire of the relative who had given him the inheritance.

In the game you will see fictitious companies like Yapple or YBM and here you will basically learn to diversify investments. You will realize that you have to be cautious because in the Stock Market everything is unstable: the fact that now you earn a lot of money with a company, perhaps the next day you will lose everything. That is why this aspect is so important.