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PLOUTOS: Cooperation for achieving third country nationals' financial independence through financial literacy tools and entrepreneurship bootcamps

Project ID: 101038463

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Work package 2: Preparatory Activities, Business Language & Financial Literacy curriculum

Expected Output 2.6: Financial Literacy Curriculum

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TABLE OF CONTENTS

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Course title	Financial Literacy Curriculum
Languages	**BG EL EN FR HR IT SV**
Weeks	**24**
Hours per week	**2**
Participants	**At least 30 TCNs per partner country**

Course Description
In the context of Europe’s efforts to integrate TCNs in the economic life of their host countries, this course aims to improve TCN’s knowledge of the host country language in the field of economics and finance. The course addresses TCNs who have been residing in the host country for at least 3 years and have a B1-B2 level knowledge of the host country language. As this course is directly related to the Business Language course that has been implemented, aims to prepare TCNs for their potential integration into the business community of their host country, giving them access to a broad range of texts that would enable them to understand deeper terms about financial literacy. Moreover, it will offer guidance and tools for the TCNs on how to save money, make investments, open a bank account, apply for loans, set a business loan, be protected by frauds etc. TCNs, especially labour migrants, report high awareness about banking products such as deposits, loans and credit cards, but less are aware of investment products and microloans. The most difficult products for this group to understand are credit, investment products, and deposits/savings products. Moreover, TCNs find it difficult to assess their own level of financial literacy. Considering the language barrier, the most common source of financial knowledge for labour migrants are friends and family, as well as the Internet. Therefore, the development of a combined financial literacy curriculum with elements of entrepreneurship and finance for TCNs will be one of the main project results and its courses will become the necessary step toward their full integration into the host country’s economic life.
Learning outcomes

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The financial literacy curriculum will aim to:

• develop the necessary skills and competencies of TCNs so that they can better understand the various financial concepts

• make them able to recognize financial risks and opportunities, and eventually take appropriate financial decisions

• strengthen their confidence in financial matters

• enhance their participation in modern society and civic life

Week	Subject
1 - 2	What is Financial Literacy?
3 - 4	Personal Finance Management
5 - 6	Financial Services
7 - 8	Savings
9 - 10	Investments
11 - 12	Loans
13 - 14	Income Generating Activities: Selection, Planning and Management
15 - 16	How to Create Business Plan
17 - 18	How to Request a Microloan and Funds
19 - 20	How to Open Bank Account
21 - 22	(Online) Financial Fraud
23 - 24	Taxes and Insurance

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Module 1 – What is Financial Literacy	
Main objectives	• To get acquainted with the definition of financial literacy. • to improve people's skills and financial health to strengthen their ability and support their economic development. • To learn tools adaptable to the context will be used to carry out the session, easily applicable to everyday life and which can be integrated into already existing programs
Learning outcomes	• Establish saving goals and create a savings plan to reach them. • Create a simple budget and apply it. • Understand the importance of financial planning. • List some circumstances under which people want or need to borrow money. • Describe different types of loans and define basic terms associated with borrowing money/loans
Description of the training content & material	✓ Introduction to the theory ✓ Exercises/Activities in the class: Activity 1 Instructor asks learners to create their budget according to the template Activity 2 Instructor asks learners to fill out the gaps in the exercise's content
Duration	2 hours

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Financial education is a process by which people improve their knowledge of financial products, concepts, and risks. Through unbiased information, education, and advice, they develop the skills and confidence in their own means to become more aware of financial opportunities and risks, to make informed choices, to know where to turn for assistance, and to take other effective steps to improve their financial well-being.

If you've spent any time looking for financial education news, you've probably come across the term financial literacy. The goal behind teaching financial literacy is to help people develop a stronger understanding of basic financial concepts—that way, they can handle their money better.
Basic finance is in fact a crucial element of active citizenship, since finance itself is a basic service both for citizen and consumers: those who do not access it remain excluded. Finance, in fact, can become a multiplier of exclusion, rather than inclusion, where it is understood as synonymous with a mere profit from savings.

It's a huge goal, especially considering how people handles money: *"suppose you put €100 in a savings account that earns 10% interest each year. After five years how much will you have?"* That was a question posed in a multiple-choice quiz (completed by 150.000 people in 144 countries) by Standard & Poor's, a rating agency. The answers proffered were "less than €150", "exactly €150" and "more than €150". The intention was to test whether respondents understood compound interest, in addition to basic mathematics. Not that many did: just one-third of them answered three out of five similar multiple-choice questions correctly. With those numbers, it's no surprise that leaders in business, education and governments want to help spread the benefits of greater financial literacy to as many people as possible.

Ultimately financial literacy is the possession of skills that allows people to make smart decisions with their money this means to regularly do the right things with money that lead to the right financial outcomes. Once people have this skill set, they are able to understand the major financial issues they have to face emergencies, debts, investments, etc. but most of all financially literate people know their way around a budget.

Based on the stats that we've already considered, it's fair to guess that many people don't know how to handle their money. And while there's no one sure way to measure how many people are financially literate, the lack of certain skills would confirm that guess. So budgeting could be another skill for measuring financial literacy.

There's a way to help people decide whether they should include themselves among the financially literate: Answer honestly to these few questions.

1. Do you know how to create a monthly budget that includes all of your basic expenses, your bills, any debts, and your sinking funds for future purchases?
2. Are you currently debt-free? Or are you taking active steps to reduce your debts?
3. Do you know about how much money you spend to cover living expenses over a period of three to six months?
4. Do you have an emergency fund in place that would allow you to get through a sudden large life event like a layoff or a totaled vehicle without having to borrow money?
5. Do you have an understanding of how compound interest allows invested money to grow over time?
6. Do you know the various kinds of insurance that are needed to protect your finances and investments?
7. Do you understand the difference between an investment and insurance?

Financial literacy can make people habitual budgeters who are willing to save for their goals to have peace of mind, both today and in the future.

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The main reasons people save are:

Everyday use: Savings are used for food, rent/bills, clothing, items for themselves and their family members

Emergency or Sinking Fund: Savings are used for emergencies or crises, such as health issues, loss of job or income, or major unexpected expense

Future goals: Savings are used for future goals such as buying a house, paying for school, wedding, buying land, starting a business.

An emergency fund is an example of a financial goal. What is a financial goal? It is any plan concerning money. There are short-term financial goals (like saving up € 1.000) or long-term financial goals (like investing for retirement). One should set goals for every area of life, but having specific financial goals helps people to put money where the goal is.
Budgeting is a vital step in reaching personal and family financial goals. Let's see some important definitions to know more about it.
A budget is made up of two parts: Income, which means the money that is coming in and Expenses which are the things we need, or want, to spend money on, or money that is going out.
A good budget is when the total income is MORE than the total expenses. This is referred to as surplus.
If your expenses are MORE than your income, then you have a 'deficit'. You will need to readjust your expenses. If you have more money in than out, you can save some of the leftover money for the future.
The most important rules of budgeting are:
Spend less than you are earning!
Set a little bit of money aside every week (if you can).

Let's now follow the next steps to create your own timeline!

1. with a paper sheet/flipchart sheet and a marker
2. decide on a saving goal, e.g.having saved € X amount by the end of the year.

have a sign with € 0 on one end of the paper, and €X amount on the other end of the paper

4. Create checkpoints on the paper for when they reach 25%, 50% and 70% of their saving goal
5. For each checkpoint, note what they will have to do to achieve their checkpoint target
6. when doing this activity at home with children, the children can draw or discuss verbally instead of writing.
7. The aim of the timeline is to draw a line illustrating how much was saved every time a checkpoint is accomplished. This helps you to visualize how money is growing and when the saving target and overall saving goal is being reached.

Creating a budget

Step 1: Identify your family's monthly income. This is the total money that comes into your household income per month. Categories the different income categories and write next to them how much income they bring into your family household per month. Write this down in column 1.

Step 2: Categorize your expenses (money that goes out that you use to spend on items/resources etc.) – remind participants of the needs vs wants discussions of Session 3. Group your expenses, e.g. food including

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pre-primary school lunches, grocery shopping; personal items including clothing, haircuts etc. If your family is planning to save each month, ensure to include an additional category under expenses for money you want to save. Write these down in column 2.

Step 3: Decide your spending. Decide how much money you will spend for each expense category per month. Write these down in column 3.

Step 4: Deficit or Surplus. Write down your income and expenses in column 4 and find out if a surplus or deficit occurs. You can do that by following the simple calculation of Total Income – Total Expenses = Total Outcome (either deficit or surplus).

- If the Total Outcome is a 'negative' number it is referred to as a 'deficit', i.e. then you have too little money in your household overall income.
- If your Total Outcome is a 'positive' number it is referred to as 'surplus' i.e. you have extra money in your household income, money you can save or spend.

Let's practice some exercises: complete the sentence with the right word. (Italics right answer)
Saving money is important because if you have an ____*emergency*____ you can use your saved money, and therefore, suffer less.

People saving for everyday use save for …

a) Buying a house

b) An unexpected job loss

c) *Buying food*

d) Starting a business

In order to visualize your saving goals you can create a ___*timeline*___ and set concrete saving targets
Which is one important rule for budgeting?

a) *Spend less than you are earning*

b) Spend more than you are earning

c) Set all the money you have aside

If your Total Outcome is 'negative', then it means that…

a) You have money to spend or save

b) You have extra money in your household income

c) *You have too little money in your household overall income*

Borrowing money
What Is Debt? In simple terms, debt is owing any money to anybody for any reason. But what about in legal terms? Debt is a financial liability or obligation owed by one person, the debtor, to another, the creditor. In other words, debt is when someone borrows money (a debtor) and is responsible for paying back the person

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or company who loaned them that money (the creditor or lender). The practice of borrowing or lending money is viewed in differently in cultures. Perceptions vary and could be positive or negative. Borrowing from reputed, credible, and transparent sources is important for a positive borrowing experience. Borrowing money can be a positive experience as it can help you to: start or expand a business; respond to an emergency in your family; and improve your living conditions sooner rather than later. When a loan helps you in these ways, it is usually a good loan. But taking a loan always carries the risk of not being able to repay. So, when the loan ends up costing you money, or forces you to default or go deeper into debt, or risk getting involved in a dangerous situation it is a bad loan.

There are formal ways to borrow money:

- Commercial Banks
- Microfinance institutions (MFI)
- Savings and Credit Cooperatives
- Registered (Women) Cooperatives

And informal ones:

- Loan Sharks
- Pawn Shops
- Friends, Relatives, Neighbours, Colleagues
- Community Managed Saving and Lending Groups
- Money lenders (usually Non-regulated/uninsured)

	Costs/Dangers	Benefits
Formal Money Lenders/Network	Higher interest rates Difficult to access Social barriers	More credible Registered and clear procedures Dependable Transparent
Informal Money Lenders/Network	Without clear rules/procedures Non-regulated Uninsured moneylenders Higher risk of conflict	Less social barriers (women can access too) Familiar/ Group support to access money more easily

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	Self-determined interest rates/ insurance steps Easy to get into deep dept	

Are the loans good or bad? Let's discuss about it

Situation 1
John has applied for a loan at the local bank to pay for his two children's' private school fees. He hopes to pay it back every month from his and his wife's salary.

Situation 2
Jenna borrowed €10 from her relative for a refrigerator for her snack stand to stock more items, especially cold drinks, and she's now earning €2 more each month. Most of that income is used to repay the loan, but a year from now, when she has finished paying the loan, she will still have the refrigerator and a bit of saving.

Situation 3
Miguel borrowed €50 from a local loan shark to purchase a second-hand bike for his daughter. But, by the time he paid of the loan, the bike has malfunctioned.

Situation 4
Alina and her husband have got a loan for €3000 to construct additional rooms in their home for their growing family. Their house is the collateral for the loan and Alina's mother who has a well-running local restaurant is the guarantor.

What do we learn from these situations?

1. Borrowing money is neither inherently good nor bad – there are benefits (risks (negatives) of borrowing money, just like anything else.
2. It depends on why and how one borrows and whether they make smart choices about where they borrow from, how much they can afford to borrow, and how and when they can pay it back.
3. When it comes to borrowing money, being well-informed is the best line of defense.
4. Interest rates will usually differ depending on the loan type (for example car loan vs. mortgage).
5. Each type of loan will also depend on their personal risk level, this is defined by different criteria such as one's income, age, status (single, partnership, family), ability to repay the loan, assets, occupational status etc.

Before looking for a loan, ask yourself…

- What are the most immediate needs of your family?
- What is the minimum amount you can afford (essential expenses)?

- What is your current job situation? If you have been furloughed, do you think you will return to work soon? If you still have your job, is it at risk?
- How much money do you have in your saving box/saving accounts?
- What are your family's total monthly expenses?
- Where can you cut back as a family and still ensure a decent life for your family to get through the emergency?
- How many months will your money last? (total savings divided by minimum monthly expenses = total # of months

Activities/ Exercises in class

Activity 1
Create a budget.

INCOME	EXPENSE
TOTAL INCOME:	**TOTAL EXPENSE:**

Activity 2

1. My sister got into terrible problem last year. She needed to borrow money for her daughter's wedding and foolishly she borrowed it from a ______________________ [answer: loan shark] who charged her very high interest rates. She wasn't aware that loan sharks charged high interest.

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	2. I have applied successfully for a loan from the bank and must go there tomorrow to sign the papers. My mother, who runs a successful café has kindly agreed to be the _________________ [answer: guarantor] and so she will co-sign. 3. We put … **50 Euros** into a saving account for our son when he was born. Yesterday was his 6th birthday and we showed him the latest balance which is now higher than before. He wanted to know why the amount had grown over the years and we told him this was because of _____________ [answer: interest]. 4. One of my colleagues at school is trying to prevent the bank from repossessing her house after she _________________ [answer: defaulted] on mortgage payments. 5. Last year a new ____________________ [answer: Microfinance institution] opened in our village and we joined up. We have a basic savings account there because it's just so convenient. 6. My husband operates a food truck. Last year when he applied for a loan to expand his business, he had to offer the truck to the bank as ______________ [answer: collateral]. 7. When I was young I got into debt because I made too many purchases on ___________ [answer: credit]. I lost track of how much I owed and my finances got into a mess.
Suggested Evaluation Questionnaire	ANNEX 1
References	ANNEX 2
Glossary/Terms	ANNEX 3

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Module 2 – Personal Finance Management	
Main objectives	• Students will understand what is personal finance • Students will learn how to manage their personal finance • Students will learn about the core areas of personal finance management • Students will understand how important is to have control of personal finance
Learning outcomes	After the completion of this module, students will be able to: • know what is personal finance • be familiar with its management • set personal financial goals • categorize their expenses according to their income • use personal finance management apps
Description of the training content & material	1) Introduction to Personal Finance Management 2) Explore financial management blogs and apps 3) Exercise/activity in class: ✓ Instructor presents relevant apps about personal finance management (like Mint) and provides their links to the learners. ✓ Students, working alone, are asked to fill out their expenses into the app and work with their tracking. ✓ Class discusses if their expenses are less that their income and which categories can be minimized. Materials/tools needed: • PC • Projector

	• Internet connection
Duration	2 hours

The term "personal financial management" is referred to the ways that an individual manage their personal finance throughout their life in order to make the most of their assets in day-to-day life and planning for their future.

What is personal finance?

According to the definition provided by Investopedia, *"Personal finance explains all the financial decisions and actions accounted by an individual or household that comprise budgeting, banking, insurance, mortgage planning, investments, tax, savings, estate planning and retirement planning."*

What includes a personal finance management?

Therefore, the management of personal finance incorporates all the features and aspects on how to handle your income, debt and savings including various strategies:

- ✓ **Managing your income.** You can manage your income by spending less than you earn. If you are financial literate, you can set goals in order to save and invest your money.
- ✓ **Managing your debt.** The key is to avoid debt. If you have any debt, try to eliminate it as much as possible. For example, stop using your credit cards and set goals for their repayment. Specialists suggest to keep your debt payments below 20% of your income.
- ✓ **Managing your savings and investments.** Manage your personal budget in order to increase your savings and be prepared for any unexpected cost. Also, manage your investments because they will earn your money and increase your wealth.

What is personal finance management dealing with?

- Family or individual budgets,
- Improvements of well-being
- Personal savings and investments

- Preparation for unexpected expenses
- The utilization of credit cards

How does the economy affect your personal finances?

Changes in the economy can have a significant impact on your financial life, especially if you run on a tight budget. For instance, inflation can make consumer goods more expensive and rising interest rates can make getting a loan more costly. These and other factors can make achieving your financial goals more or less difficult, depending on which direction the economy is going.

Also, the term “personal finance management” is known as the type of software used for personal finance apps.

Fun Fact: The first software has been around since 1983 when Scott Cook watched his wife struggle with all the paperwork involved in paying bills by hand. Therefore, he started to explore how to simplify, or automate, the process. He cooperated with a programmer at Stanford University, Tom Proulx, who agreed to write a simple check-balancing program. This software became the famous program Quicken.

The importance of personal finance and its management

Personal Finance has a great role in human life regarding the economic and social circumstances. The everyday spending can significantly impact our personal budget, the utility of credit cards and the existence of any debt, resulting in risking our financial balance. Moreover, individuals or families should look for any potential opportunities and be aware of any sort of risks. This is why, it is crucial to be financial literate and have the capacities for a personal finance management.

A successful personal finance management allows you to be financially stable and secure that stability in the future.

Why?

1. **You Can Manage Your Income Better:** During the process of managing your personal finance you are able to understand the real value of the money that you earnt. Do they sustain your lifestyle? Do you need more sources of income? Which investments are the best in order to increase your income? With personal finance management, you'll be aware of your financial situation at any time.
   Tip: For an in depth understanding of your finance, read financial management blogs, such as those on Money Task Force.

2. **You Can Organize Your Spendings and Savings According to your Income:** The personal finance management allows you to properly keep track of your expenses. Keep in your mind that proper personal finance management prioritizes savings over expenses. You should set aside an amount of money representing your savings before you spend your whole income. Then, you can use the ones left for your expenditures. In addition, you can categorize your expenses to 'inevitable' expenses—such as rent and insurance—and your discretionary spending, such as entertainment or eating out. If you spend more money to discretionary spending, then you can try to minimize them to avoid debt and save some extra money. All process mentioned above, leads to the creation of your personal budget.

Tip: Use Financial Apps - To easily keep track of your expenses, download financial apps. Below you can see a list of some free apps:

COMPANY	COST	BANK SYNC
Best Overall Mint	Free	Yes
Best for Wealth Management Personal Capital	Free	Yes
Best for Bill Payment Prism	Free	Yes
Best for Shared Expenses Spendee	Free, including optional paid upgrade	With Premium plan only

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or Make A Checklist - You should make a list of the expenses that you are about to pay on a monthly basis. In this way, you can manage your budget according to your expenses. Use the following template to display your expenses.

Write down a list of all the expenses you expect to have during a month.	
Monthly Expenses	**Money per Month (€)**
Mortgage payments or Housing rent	
Housing bills for services (if they are not included in the housing rent)	
Car payments	
Credit Cards Debt	
Repayment of loan	
Insurance	
Groceries	
Utilities	
Entertainment	
Personal Care	
Eating Out	
Childcare	
Transportation Cost/Gasoline	

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Travel	
Student Loans	
Savings	
Donates	
Total amount (€)	

3. **You Can Set Up Feasible Financial Goals:** When you are financial literate and have the knowledge needed about personal finance management, you'll be able to understand whether your goals are realistic.

   Short-term financial goals Vs Long-term financial goals

   Short-term goals: The goals that you are able to reach in the next year or so. For example, develop an emergency fund that can cover at least three months of your living expenses or keep the charges of your credit cards limited to what you are able to pay off in each month.

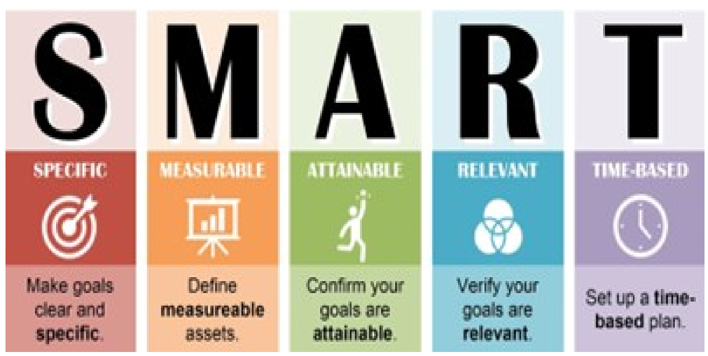
   Long-term goals: The goals that take five or more years to be accomplished and generally represent major life events. For example, a retirement, a home down payment, saving for a child's (or grandchild's) education.

   Tip: Through personal finance management, you can set your financial goals by following these steps:

Assess Your Priorities: For example, if you set a goal to be debt-free in a year, you should use your budget in order to pay off your debts instead of investing or buying luxury items. You can also prioritize your short-term goals instead of your long-term ones.

Line Them Up: Use a table in order to organize your long-term and short-term goals. Number your goals starting from one and have the shortest timeline. Prioritizing your goals can vary according to the period of time that you want to reach them.

Be SMART: Set your goals to be Specific, Measurable, Achievable, Relevant, and Timely.



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Check Your Budget: When you are aware of your income and how much money you spend each month, you'll get an idea of the amount that you can set as your goal. In addition, when you check your budget frequently, you are able to see if your earnings are enough to meet your goals.

Monitor Your Progress: Keep track on your finances in order to know if you're reaching or moving away from your goal. Thus, a financial management plan helps in contriling the stage you are in towards reaching your goals.

Successul setting of financial goals!

Some practical examples of personal finance are:

- Learning about your budget, balancing your income with your expenses, securing funds for vital purchases, saving for retirement, planning for taxes, insurance purchasing and making efforts for investments.
- Planning as an individual or as a family on how the total income could be divided in different categories like mortgage, kid's education, medical expenses, etc.
- Deciding to save or not a particular amount on some expenditures or save it for the future.

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The Core Areas of Personal Finance Management

The core areas of managing personal finance include income, spending, savings, investments, and protection.

Income

Income is the core of the personal finance. It refers to the entire amount that you receive and can be allocated to expenses, savings, investments, and protection. Briefly, income is all the money you are currently earning like salaries, wages, dividends, and other sources of cash inflow**.**

Spending

Spending is an outflow of cash. Spending includes rent, mortgage, groceries, hobbies, eating out, home furnishings, home repairs, travel, and entertainment. The management of spendings is a critical aspect of personal finance. Your overall spending should reflect a smaller amount than your income to have enough money to cover your expenses and avoid to fall into debt. Debt can be devastating financially, particularly with the high-interest rates credit cards charge.

Saving

Savings is the income that left over after spending. Saving should be able to cover large expenses or emergencies. Therefore, individuals should strive to have some savings to meet any fluctuations in income and spending.

Investing

Investing involves purchasing assets, like stocks and bonds, to earn a return on the money invested increasing your overall wealth. Investing has many risks and can cause losses. Therefore, hiring a professional advisor can help you on learning how to safely invest your money. Alternatively, you could read and study about investing chances.

Protection

Protection refers to the methods people take to protect themselves from unexpected events. Life and health insurance are examples that can support you in illnesses or accidents. Also, other protection methods are the

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estate and retirement planning. **The 70% 20% 10% Rule** A helpful option that can be used as a financial planning tool is to write down your income's money on a monthly basis and use the 70% 20% 10% rule. This rule helps you visualize the amount of money that you can fit in each category and where you could spend. The 70% 20% 10% rule aims to help you to spend, save and invest long-term. The rule is simple: • Write down your monthly income • Divide the monthly income into the following percentages • 70% for expenses • 20% for investments • 10% for savings or debts Tip: Watch the following video for deeper understanding: https://www.youtube.com/watch?v=pYJOcuzHtVs	
Activities/ Exercises in class	Students work and are asked to go through the various personal finance management apps in order to track their expenses; they present if have a balance amongst their income and their expanses.
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

Module 3 - Financial Services (What is Mobile Money, Cryptocurrency etc.)	
Main objectives	• Students will understand what are financial services • Students will understand what is mobile money • Students will understand what is cryptocurrency • Students will understand what is blockchain • Students will learn how to invest in cryptocurrency • Students will learn about the main types of cryptocurrencies • Students will learn about the difference amongst mobile money and mobile banking • Students will define the pros and cons of mobile money • Students will define the pros and cons of cryptocurrencies
Learning outcomes	After the completion of this module, students are able to: • know what are financial services like mobile money and cryptocurrency • be familiar with their terminology like blockchain • understand the risks of the mentioned financial services • know about advantages and disadvantages of the mentioned financial services • use mobile money platforms • investigate if they can invest in cryptocurrency
Description of the training content & material	✓ Introduction to the mobile money and cryptocurrency ✓ Visit mobile money agents' platforms ✓ Exercise/activity in class: Activity 1: ✓ Instructors asked learners to navigate in the different mobile money agents' platforms ✓ Students read more info about how can use the mobile money

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	Activity 2: ✓ Students watch videos about the cryptocurrencies ✓ Then they answer in the following questions: Does any one of you invest in cryptocurrencies? If yes, which type? Would you like to invest in cryptocurrencies? Why? Are you afraid about the risk that evoke of their complexity? Materials/tools needed: ✓ PC ✓ Projector ✓ Internet connection
Duration	2 hours

What are financial services?

The term of "Financial services" refers to the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accountancy companies, consumer-finance companies, stock brokerages, investment funds, individual asset managers, and some government-sponsored enterprises.

What is mobile money?

According to IMF's Financial Access Survey, "*mobile money is a pay-as-you-go digital medium of exchange and store (digital wallet) of value using mobile money accounts, facilitated by a network of mobile money agents. It is a financial service offered to its clients by a mobile network operator or another entity that partners with mobile network operators, independent of the traditional banking network. A bank account is not required to use mobile money services—the only pre-requisite is a basic mobile phone.*"

It can hold not only money but also coupons, loyalty points, value and membership cards etc.

The examples of mobile money solutions include mPESA , Alepo, Obopay, DeeMoney , Opay ,Moniepoint,

XpressTeller , PAGA **etc.**

Mobile money systems support financial inclusion and emerge a market business opportunity for providers. Most people and small businesses in emerging economies today lack access to formal savings and credit and they are not able to fully participate in the formal financial system. They transact only in cash, cannot save and invest their money safely, and must rely on informal lenders and personal networks for credit. Even those with access can pay dearly for a limited range of products. Reaching individuals and small businesses with products that go beyond payments and that can significantly improve their financial lives leads in successfully financial inclusion.

Mobile money vs mobile banking

Mobile banking is the use of an application on a mobile device to access and execute banking services, like check deposits, balance inquiry, and payment transfers. Therefore, the services that offer mobile phone as just another channel to access a traditional banking product are considered mobile banking, not mobile money.

What is Crypto-currency?

According to Investopedia the definition of a Crypto-currency is: *"a digital or virtual currency secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. Many cryptocurrencies are decentralized networks based on blockchain technology—a distributed ledger enforced by a disparate network of computers. A defining feature of cryptocurrencies is that they are generally not issued by any central authority, rendering them theoretically immune to government interference or manipulation."*

Cryptocurrencies can be mined, purchased from cryptocurrency exchanges, or rewarded for work done on a blockchain. Usually, the e-shops sites do not allow purchases using cryptocurrencies. In fact, cryptocurrencies, even popular ones like Bitcoin, are hardly used for retail transactions. The cryptocurrency is used as trading, investing instruments and perhaps for cross-border transfers.

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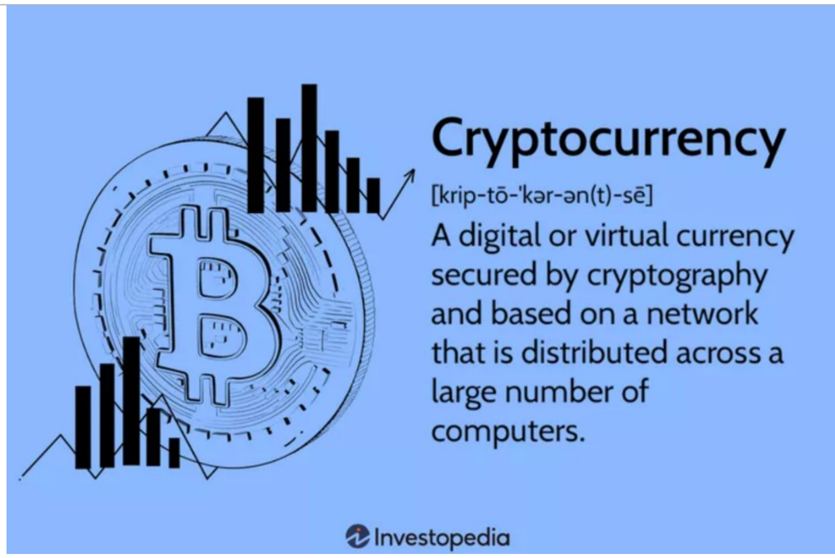

The growth of Mobile Money

Over the past decade, mobile money supported households in low- and middle-income countries (LMICs) to move from the informal cash economy into a more inclusive digital economy. The reason was the mobile money has expanded from a niche offering in a handful of markets to a mainstream financial service. Mobile money is a trend towards a more digitised ecosystem as more cash is converted into e-money and either continues to circulate as such or is spent digitally, rather than being cashed out.

Thanks to mobile money, people are living increasingly digital lives transacting more often and for more reasons than ever before. The need for no-contact ways to purchase everyday items, pay bills, receive government support payments and send money home to family during the COVID-19 pandemic increased the use of mobile money and people turned more to digital.

In 2021, this continued growth helped push the value of transactions to the trillion-dollar mark. That's almost $2 million worth of transactions per minute.

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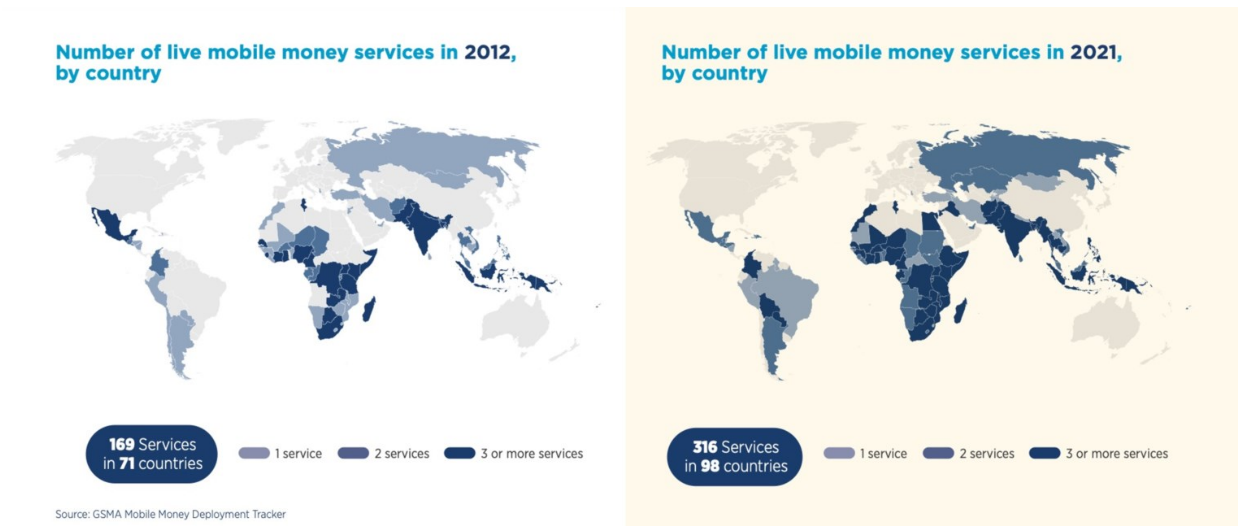
Source: GSMA global adoption survey

The creation of mobile money as financial service into a global and diverse ecosystem of mobile-based financial services extending far beyond P2P, Cash-In and Cash-Out, achieved to financially include low-income populations and it is now present in almost one hundred countries.



Source: GSMA mobile money deployment tracker

Tip: Watch the following videos for deeper understanding of mobile money:

https://www.youtube.com/watch?v=BYgOQhBDBVo

https://www.youtube.com/watch?v=cBmdlVo6cMc&t=121s

https://www.youtube.com/watch?v=yE-jFQnu5Jg

https://www.youtube.com/watch?v=auatOeCM25c

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Benefits to having a Mobile Money Account

Pervasion	• Money can be transferred almost anywhere • No need for banks nearby • Easier purchases of online goods and services • More option in pricing/features selection • Financial services can be provided to the people who are geographically inaccessible and/or having very low income
Safety/Security	• Cashless payments which reduce dependency on cash • Better tracking of transaction records • Effective financial security • Lower inherent risks of cash handling (e.g. loss, theft or fraud) • Improved security compares to credit card method
Affordability	• Lower transaction costs • Accessed through most basic phones that reduce the transaction costs
Transparency	• No requirements about middlemen for money transfers
Access	• No long travel to send/receive money in a bank • No standing in long queues to pay bills • Comfort to the customers

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	• Increase accessibility in rural areas
Knowledge/Skills	• A vast network of agents which provides person to person contact and training to those who are unfamiliar with the mobile money technology

Barriers to having a mobile money account

It is worth noting that many registered mobile money accounts are not being used very much or at all, and the reasons and barriers behind this vary widely by country context.

Relevance	• Preference for cash • Alternatives to transfer money • Friend/Family member has a mobile money account that I can use • Use Over-The-Counter • Lack of money
Knowledge/Skills	• Do not know how to use mobile money • Difficulties using a handset/Might make errors • Literacy
Affordability	• Affordability
Access/Enablers	• Unreliable network • Lack of access to agents • Lack access to electricity • Lack of necessary documentation
Safety/Security	• Safety and trust • Do not trust agents
Other	• Mobile money agents do not have cash

	• Family does not approve

Mobile Money transactions can be completed in a number of ways:

- ✓ Using a mobile phone over a mobile network
- ✓ Using a card issued by a Digital bank or a traditional financial institution
- ✓ Using a Mobile POS Terminal
- ✓ Supporting by an agent who receives cash from a customer and makes a transfer from the mobile phone to the wallet/bank account of the recipient

All the transactions in any way are usually completed within 5 mins.

The phone number serves as your account number during a transaction with a mobile phone alone. Your wallet/account balance is stored on your mobile device via an app or a menu option on your mobile phone added by your telecom provider.

Example!

1. Buy a sim card from Safaricom (Vodafone), Orange, MTN
2. Get the mPESA or PEGA or Opay or relevant network
3. Join in the mobile money revolution.
4. Begin transacting with other users and businesses on the mPesa or relevant network.

Therefore, with a mobile phone as cheap as 10€, you are able to pay bills, transact money to other mPesa or relevant network users, take a loan etc. Specifically, the mobile money agents facilitate cash deposits and withdrawals in rural areas where there are not banks or the closest bank is too far away from residents.

Case Study!

A Shop owner is running a small business that sells meat. At the end of the day, this Customer gathers all the cash money from the daily sales and goes to the nearest Mobile Money Agent. In rural areas, usually, these Agents are much closer to the customer's location than a physical Bank.

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The Mobile Money Agent collects the cash and deposits the same value in the customer's wallet less the transaction charges.

Therefore, the Shop owner has the value in their wallet which he/she can use to purchase more goods or send to his/her family member's wallet on the same telecom network in a nearby city. The Mobile Money Agent gain a commission for processing that transaction.

The history of cryptocurrencies

- **1998 – 2009 The pre-Bitcoin years**

The first established cryptocurrency is the Bitcoin which has existed since 2009 and the technology it is built on has roots going back even further. For example, there had been previous attempts at creating online currencies with ledgers secured by encryption like not fully developed B-Money and Bit Gold.

- **2008 – The Mysterious Mr. Nakamoto**

Someone calling Satoshi Nakamoto posted a paper called Bitcoin – A Peer to Peer Electronic Cash System to a mailing list discussion on cryptography.

- **2009 – Bitcoin begins**

In 2009 the Bitcoin software was made available to the public and the process of transactions were recorded and verified on the blockchain.

- **2010 – Bitcoin is valued for the first time**

As the Bitcoins had never been traded and were used only for mined, it was impossible to assign a monetary value to the units of the emerging cryptocurrency. In 2010 for first time someone sold 10,000 bitcoins for two pizzas.

- **2011 – Rival cryptocurrencies emerge**

The popularity of the Bitcoins led to the appearance of alternative cryptocurrencies, known as altcoin. The altcoin (e.g. Namecoin and Litecoin) try to improve the original Bitcoin design by offering greater speed, anonymity or some other advantage. Currently there are over 1,000 cryptocurrencies.

- **2013 – Bitcoin price crashes.**

For two years the price of one Bitcoin plummeted to around $300, while in previous years the price was reached $1,000.

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❖ **2014 – Scams and theft**

The anonymity and lack of control made the Bitcoin attractive for scams and thefts. In January 2014, the world's largest Bitcoin exchange Mt.Gox went offline, and the owners of 850,000Bitcoins never saw them again. The investigations have not results by now.

❖ **2016 – Ethereum and ICOs.**

In 2016 was created the cryptocurrency named Ether in the Ethereum platform in order to facilitate blockchain-based smart contracts and apps. Ethereum's arrival was marked by the emergence of Initial Coin Offerings (ICOs). These are fundraising platforms which offer the investors the ability to trade essentially stocks or shares in startup businesses, in the same way that they can invest and trade cryptocurrencies.

❖ **2017 –Bitcoin reaches $10,000 and continues to grow**

As the places that you could spend the Bitcoins had a gradual increase, its popularity and pricing continued growth.

❖ **2018: Back to Reality**

The market's growth was unsustainable, so the prices began a step decline.

❖ **2019-Present: Solving Real Problems**

The survived cryptocurrencies achieved to address real problems and delivered useful new services using the power of blockchain technology and cryptocurrencies. Investors are now analyzing the business plans of crypto start-ups instead of simply investing in new cryptocurrencies based on their usefulness in everyday buying and selling. Today's crypto projects are found in gambling, video games, sports, identity management, finance, and other industries.

What is a blockchain?

The blockchain is a set of connected blocks of information on an online ledger in which each block contains a set of transactions that have been verified by each validator on a network independently. The process of the generation of a new block is that it must be verified by each node before being confirmed. Therefore, it is impossible to forge transaction histories.

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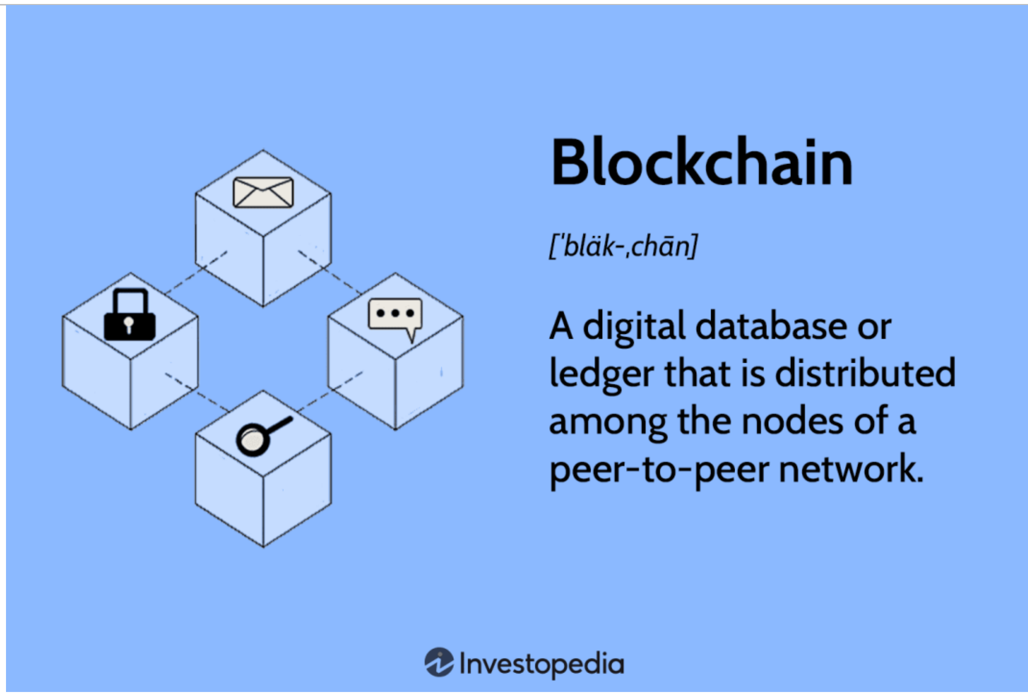

Tip! Watch the following video for deeper understanding of blockchains.

https://www.youtube.com/watch?v=SSo_EIwHSd4

Types of Cryptocurrencies

The exist of numerous cryptocurrencies on the market get the users be confused about the types of them. Understanding the purpose of a bitcoin, you are able to decide whether it is worth investing in. Cryptocurrencies without any purpose are riskier than those with utility.

The cryptocurrencies are more known with their coins' name; however, coin names differ from cryptocurrencies types. Find some types and their coins' name below:

Purpose	Coins' name
Utility: The cryptocurrencies that serve specific functions on their respective blockchains	XRP and ETH

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Transactional: The cryptocurrencies that designed to be used as a payment method	Bitcoin
Governance: The cryptocurrencies that represent voting or other rights on a blockchain	Uniswap
Platform: The cryptocurrencies that support applications built to use a blockchain	Solana
Security: The cryptocurrencies that represent an ownership of an asset, such as a stock that has been tokenized (value transferred to the blockchain).	MS Token
A cryptocurrency that doesn't fall into one of the above categories, refers to a new category and it needs to be investigated to be sure it's legitimate	

Are Cryptocurrencies Legal?

In European Union the cryptocurrencies are legal, as well as the derivatives or other products that use cryptocurrencies, and must be qualified as "financial instruments." In June 2021, the regulation “Markets in Crypto-Assets (MiCA)” was published by the European Commission setting safeguards and establishing rules for companies or vendors which provide financial services using cryptocurrencies.

Are Cryptocurrencies Safe Investments?

The high investor losses due to scams, hacks and bugs render the cryptocurrencies as unstable investments. While the underlying cryptography is generally secure, the technical complexity of using and storing crypto assets can be risky for new users.

The advantages of the cryptocurrencies

- ✓ In the decentralized system of the cryptocurrencies, the centralized intermediaries like banks and monetary institutions are not necessary to enforce trust and police transactions between two parties. In addition, the cryptocurrencies eliminate the possibility for a global financial crisis (e.g. in 2008).
- ✓ The transfer of funds directly between two parties without any need for a trusted third party (bank or credit card company) make the transactions easier.
- ✓ The transactions between two transacting parties can be faster than standard money transfers. The reason is that they do not use third-party intermediaries. An excellent example are the flash loans that are processed without backing collateral withing seconds and can be used immediately in trading.
- ✓ Cryptocurrency investments can generate profits.
- ✓ Cryptocurrencies such as Bitcoin serve as intermediate currencies to streamline money transfers across borders making the money transfer process cheaper.

The disadvantages of the cryptocurrencies

- × The cryptocurrencies are a pseudonymous form of transaction and can leave a digital trail. Therefore, agencies like the Federal Bureau of Investigation (FBI) can investigate and track financial transaction giving the possibility to governments and authorities check them.
- × Criminals for nefarious activities such as money laundering and illicit purchases use the cryptocurrencies like tool. In addition, hackers use the cryptocurrencies for ransomware activities.
- × While according to the theory the cryptocurrencies are decentralized and distributed between many parties on a blockchain, the reality is that just 100 addresses hold roughly 12% of circulating bitcoin and total value.
- × The popular cryptocurrencies require a considerable energy in order to be mined, sometimes as much energy as entire countries consume. The expensive energy costs and the unpredictability of this mining have concentrated it only among large firms whose revenues run into billions of dollars.
- × A cryptocurrency blockchains may be highly secure but crypto exchanges and wallets can be hacked. In the last decade, many cryptocurrency exchanges and wallets have been hacked and millions of dollars' worth of "coins" stolen.
- × Cryptocurrencies (like bitcoin) have rapid surges and crashed in their value.

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PLOUTOS

Please, watch the following videos and find more information about the cryptocurrencies. **https://www.youtube.com/watch?v=1YyAzVmP9xQ** https://www.youtube.com/watch?v=NDetuRLQso8	
Activities/ Exercises in class	Students watch the videos about cryptocurrencies and learn more information about the cryptocurrencies. Following the videos watching, they discuss in the class about the information that they received. • Does any one of you invest in cryptocurrencies? If yes, which type? • Would you like to invest in cryptocurrencies? Why? • Are you afraid about the risk that evoke of their complexity?
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

PLOUTOS

Module 4 - Savings (Different Ways to Save, Goals, etc.)	
Main objectives	• Students will understand what are savings • Students will understand why savings are important • Students will learn the types of saving accounts • Students will learn tips on how they can save money • Students will learn the difference between savings and investments
Learning outcomes	After the completion of this module, students are able to: • know the importance of savings • be familiar with different types of saving accounts • understand the difference between savings and investements • know about saving accounts that the bank in their host county offer • know how to save money • know how to set financial goals
Description of the training content & material	✓ Introduction to the savings ✓ Watch videos about savings ✓ Exercise/activity in class: Instructors asked learners to navigate in the most known banks in thei host country in order to find out their offers in saving accounts and deposit accounts. Materials/tools needed: ✓ PC ✓ Projector ✓ Internet connection
Duration	2 hours

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What are savings?

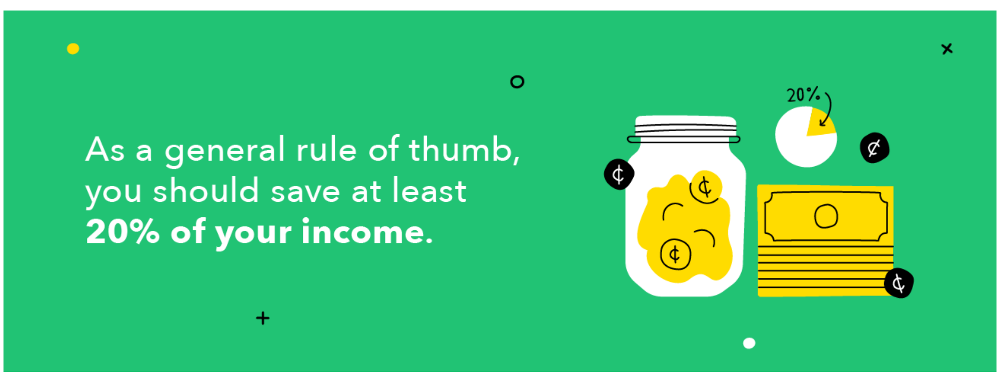
Savings are the part of income that is not spent immediately on current expenditures but it is set aside for future use. Therefore, savings is the net surplus of funds for an individual or household after all expenses and obligations have been paid.

Why should you save money?

You do not know what will happen in the future, therefore you should be prepared for any unexpected event or emergencies such as an illness, a replacement of a device/item that cannot be repaired or an emergency trip. An effective management of your personal budget can help you to save money that could be used to cover any additional cost and offer you and your family financial security, as you will avoid the risk to fall into debt or bankruptcy.

Example!

An individual or a household should save at least six months' worth of expenses in order to be considered as financially secure. For example, a household that has a cost of 1.000€ for expenses per month should have at least 6.000€ in savings (1.000€ x 6 months). Therefore, an individual should save the 10- 20% of his/her income until the appropriate amount of savings is reached.



How you can use your savings?

- ✓ Cover any unexpected cost

PLOUTOS

- ✓ Accomplish objectives in the short-term such as buying a mobile phone
- ✓ Accomplish objectives in the long-term such as continuing to study, buying a car or a house
- ✓ Purchase of expensive items that are too costly to buy with monthly income like a new camera or paying for a vacation
- ✓ Investment in order to get a profit on the money you have set aside.

How you can keep your savings?

- Savings could be kept in the form of cash or cash equivalents (e.g. as bank deposits). This option does not expose the savings into a risk of loss but also come with correspondingly minimal returns.
- Savings could be invested. This option can grow your savings; however, it requires that the money be put at risk.

Money stored at home is unsecured (e.g. burglary) while money stored at a depository institution, which offers financial services to people, is protected from any type of loss.

Tip! Please, watch the following video about savings for deeper understanding:

https://www.youtube.com/watch?v=wXHQjScKPzc

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Types of savings accounts

There are different types of savings accounts that allowing customers to take advantage of the time value of money and are offered by banks with different features or limitations and interests. The amount of interest earned is determined by calculating a percent of the total amount of money deposited and it is known as interest rate.

Savings accounts, checking accounts, money market deposit accounts, and Certificate of Deposits are the most common depository institution accounts that earn interest.

Savings Accounts

A savings account is an account in a depository institution that holds money that are not spent on current expenditure but are available for an emergency. The deposits and withdrawals can be made online, by phone, mail, or at a physical bank branch or ATM by the owner. The Interest rates on savings accounts are low but higher than on checking accounts. If you would like a higher interest rate then the online-only savings accounts is more suitable for you, as they are high-yield savings accounts and can offer you higher interest on deposits than the national average.

Checking Accounts

In a checking accounts the checks or the debit cards draw directly from your account. They have lower interest rates that other bank accounts A checking account pays lower interest rates than other bank accounts and many of them credit no interest at their owners. In return, however, account holders get highly liquid and accessible funds often with low or no monthly fees.

Money Market Accounts

A money market account (MMA) is an interest-bearing account at a bank or credit union (not to be confused with a money market fund). The interest rates in this type of accounts are higher than regular passbook savings accounts and also include check writing and debit card privileges. However, money market deposit accounts usually require more money to open and have limits on the number of money's withdrawals in each month.

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Certificates of Deposit (CDs)

The access to cash in a certificate of deposit (CD) is limited for a certain period in exchange for a higher interest rate. Deposit terms range from three months to five years; the longer the term, the higher the interest rate. Also, the larger the amount of money saved, the larger the amount of interest earned will be. However, if you proceed with withdrwals then you will have penalties that can erase interest earned, so it is better to keep the money in the CD for the entire term. Once the time period is complete, the money and interest earned can be withdrawn.

How to begin save money?

1. **Set aside a part of your income** (10% - 20% of your net income) each time that you are paid before using the money for spending. This is an effective saving strategy that will lead you to save money rather than spend them.
2. **Set personal goals.** If you set feasible financial goals then you will be able to save rather than spend money because you accomplish your financial planning. Focus on items that are most important to you and make the appropriate financial decisions in order to obtain them
3. **Consider the trade-offs of your financial goals.** For example, given up from not necessary spendings in order to save money for your education. Understand that the tradeoffs make your financial goals more attainable and realistic.
4. **Examine your spendings.** May you have to adjust your spendings in order to reach a financial goal.
5. **Explore the value of saving money.** Learn about strategies that help you to save money and find out the advantages of saving money at a depository institution.

Tip! Watch the following video about savings: https://www.youtube.com/watch?v=08vVgzM_tyc

Case study!

For example, Maria receives a monthly paycheck 2.000€. Her expenses include a rent payment 800€, bills around 400€, a credit card payment 50€, 150€ for groceries, 50€ for utilities, 25€ for her cellphone and 80€ for gas.

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Since her monthly income is 2.000€ and her monthly expenses are 1.555€, Maria has 445€ leftover.

If Maria saves her excess income, she has money to live on while resolving her problems in the case of an emergency.

If Maria does not save her extra money and exceed her expenses over her income, it means she is living paycheck to paycheck. In the case of an emergency, she does not have money to meet her day-to-day expenses, bills, and emergency expenses and she will be in dept.

8 simple ways to save money

1
Record your expenses: Keep track of all your expenses and organize the numbers by categories like rent, gas, bills, supermarkets etc. Use a simple spreadsheet or a free online spending tracker or app and check your credit card and bank statements to make sure you've included everything. Then, calculate the total amount.
2
Include saving in your budget: Create your personal budget planning your spending and trying to limit the overspendings. Include a savings category in your budget and aim to save an amount that initially feels comfortable to you. Plan on eventually increasing your savings by up to 15 to 20 percent of your net income.
3
Find ways to cut spending: Firstly, identify nonessentials spendings such as entertainment and dining out in restaurants, that you can spend less on. Look for ways to save on your fixed monthly expenses, such as your car insurance or cell phone plan, as well. In addition, search for free activities like events, seminars, hiking etc. Also, review recurring charges and cancel their subscriptions. Finally, wait before you buy in order to be sure that this purchase is useful for you.
4
Set savings goals: Think about the amount that you would like to save for—both in the short term and the long term. Then estimate how much money you'll need and how long it might take you to save it.
5

Determine your financial priorities: Allocate your savings according to your needs. For example, if you know that your mobile phone needs to be replaced with a new device then you should start putting away money for one now. Learning how to prioritize your savings goals can give you a clear idea of how to allocate your savings.
6
Pick the right tools: Look carefully the options that the savings and investments accounts offer for short- and long-term goals. In addition, take under consideration the fees, interest rates, risk and how soon you'll need the money so you can choose the best way to save money for your goals.
7
Make saving automatic: Choose an amount, the time and where you would like to be transferred, as the majority of the banks offer automated transfers between your checking and savings accounts. Also, you are able to split your direct deposit and a part of every paycheck goes directly into your savings account.
8
Watch your savings grow: Review your budget and check your progress every month. That will help you not only accomplish your personal savings plan, but also identify issues and fix them.

How to Calculate Your Savings Rate?

Savings rate is the percentage of disposable personal income that is kept rather than spent on consumption or obligations. Dividing savings by disposable income yields the saving rate (yous savings / your net income x 100).

Savings vs. Investing

Usually, the words savings and investing are used interchangeable but this usage is technically incorrect. For example, the retirement "saving" is more accurately investing, since an individual put away money in accounts in order to be used as purchase securities (stocks, bonds, and mutual funds). In the investments the money are at risk of loss, however the risk is offset by positive expected returns over time. In contrast, the savings are by definition "safe" from any potential loss.

<table>
<tr><td colspan="2">The savings are highly liquid and available for immediate use, while the investments must first be sold into usable cash. Also, the investments entail some sort of long-term time horizon to allow the money to grow and appreciate.

Tip! Watch the following video about the differences amongst savings, investments and speculating: https://www.youtube.com/watch?v=blnbxbftme0</td></tr>
<tr><td>Activities/ Exercises in class</td><td>Learners navigate in the most known banks in their host country and find out their offers about saving accounts and deposit accounts.</td></tr>
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<tr><td>References/Bibliography</td><td>ANNEX 2</td></tr>
<tr><td>Glossary/Terms</td><td>ANNEX 3</td></tr>
</table>

PLOUTOS

Module 5 – Investments	
Main objectives	• Student will understand investment principles. • Student will understand the objective of investment. • Student will learn about investment fraud • Student will learn how to invest in their own business
Learning outcomes	After this session, students are able to: • be familiar with investment and its types. • start investing (personal/business) • avoid investment fraud
Description of the training content & material	✓ Instructor provides the students with theoretical and practical information about investment (definitions, types of investments, recommendations etc.) ✓ Students, working in pairs, watch videos about investment, do some activities and exercises (e.g. fill in some forms). ✓ Open discussion. Students will take notes during the session and then ask the teacher about the unfamiliar terms or concepts. ✓ The teacher gives some examples about investment from the host country (project partners countries).
Duration	4 hours

What is an investment?[1]

An investment is an asset or item attained by generating income or appreciation, i.e., to an increase in the value of an asset over time. Investment refers to any medium or mechanism used for generating future income, including bonds, stocks, real estate property, or alternative investments. For example, you give your money to a company or to an enterprise and you hope that they will pay you back with more money.

Investing, generally, is using money to work for a period of time in a project or undertaking in order to generate profits that exceed the amount of the initial investment. It is the act of allocating resources, usually capital (i.e., money), with the expectation of generating an income, profit, or gains (Investopedia 2022). However, you can't guarantee that you'll make money from your investments, and you may lose.

Investment could be for different goals; retirement planning, education, children, buying a home, car, etc.

Figure 1. Investment (Source: Investopedia 2022)

An investment always concerns the outlay of some resource today—time, effort, money, or an asset—in hopes of a greater payoff in the future than what was originally put in. For example, an investor may purchase a monetary asset now with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit (Investopedia 2022).

People can invest in several types of endeavors either directly or indirectly such as using money to start a business, or in assets (e.g. purchasing real estate in hopes of generating rental income and/or reselling it later at a higher price) (Investopedia 2022).

[1] Most of the text are taken from (Investopedia 2022).

https://www.investopedia.com/terms/i/investment.asp

How "Investing" differs from "saving" and from "speculation"?

In investing, the money used is put to work, which mean that there is some implied risk that the related business may fail, resulting in a loss of money which means when people invest, they have a greater chance of losing your money than when you save.

In speculation the money is not put to work per-se but is betting on the short-term price fluctuations (Investopedia 2022).

Investment banks

Investment banks provides many services which are designed to assist individuals/businesses in their wealth increasing process. Investment banks guarantee new debt and equity securities for all types of businesses, support in the securities sale, and help to facilitate mergers and acquisitions (Investopedia 2022).

Types of investment

1. **Stocks/Equities:**

A share of stock is a piece of ownership of a public or private company which are two types: common stock and preferred stock.

The stocks are also classified as being either growth i.e., a strategy of investing in a company while it is small and before it achieves market success; or value investments i.e., strategy of investing in a more established company whose stock price may not appropriate value the company (Investopedia 2022).

2. **Bonds/Fixed-Income Securities**

It is an investment that often demands an upfront investment, then pays a reoccurring amount over the life of the bond (Investopedia 2022). Bond investments are a mechanism for certain entities to raise money.

The difference between stocks and bonds

Some companies offer stocks or bonds.

When you buy bonds from a company, the company will pay you back your initial investment, plus pay you an interest. However, If the company goes bankrupt, your money may be lost. But if there is any money left, you will be paid before stockholders.

While when you buy stock, you take the risk of potentially losing a portion or all of your initial investment if the company does poorly or the stock market drops in value. However, the stock may increase in value beyond what you could earn from the bonds "You may make more money than from the bonds" and when you choose to buy stock you will be an owner of the company.

It is your decision so you should follow up the company and take your time to mad the right choices.

3. **Real Estate**

Real estate is an investment in physical, tangible spaces that can be used. It could be encompass acquiring sites, developing sites for specific uses, or purchasing ready-to-occupy operating sites. Some types of investments may yield commodities such as invest in farmland which earns a return based on the crop yield and operating income (Investopedia 2022).

4. **Index Funds and Mutual Funds**

Index funds and mutual funds aggregate specific investments to craft one investment vehicle. An investor can buy shares of a single mutual fund that holds ownership of small cap, emerging market companies instead of having to research and select each company on its own (Investopedia 2022).

Mutual funds may be a more expense fund to invest in compared to more passive-style funds because the investment professionals overseeing the mutual fund is trying to beat a specific benchmark, while index funds often attempt to simply copy or imitate a benchmark (Investopedia 2022).

5. **Commodities**

They are raw materials such as agriculture, energy, or metals. Investors can choose to invest in actual tangible commodities (i.e., owning a bar of gold) or can choose alternative investment products that represent digital ownership (i.e., a gold ETF) (Investopedia 2022).

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6. **Collectibles**

Collectibles investment is collecting or purchasing collectibles (rare items) in anticipation of those items becoming in higher demand. For example, sports memorabilia, paintings, and comic books etc. (Investopedia 2022).

7. **Cryptocurrency: is a blockchain-based currency used to transact or hold digital value.**

Other investment products:

- Certificate of deposit: a savings account that holds a fixed amount of money for a fixed period of time, such as six months, one year, or five years, and in exchange, the issuing bank pays interest (Investor 2022).[2]
- Corporate and municipal bonds.
- Annuities.
- Exchange-traded funds (ETFs).
- Money market funds.
- International investing.

Why to invest?

Before you invest you should ask yourself the following questions:

1. What are your investment goals? What do you want to achieve with your investments? (Figure 2).
2. How much do you need to achieve your goals?
3. How much you already have to invest?
4. How much time you have to meet your investment goals?
5. How much your risk tolerance?
6. How can you protect yourself from investment fraud?

[2] Investor.gov
https://www.investor.gov/introduction-investing/investing-basics/investment-products/certificates-deposit-cds#:~:text=A%20certificate%20of%20deposit%20(CD,originally%20invested%20plus%20any%20interest.

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PLOUTOS

YOUR FINANCIAL GOALS

If you don't know where you are going, you may end up somewhere you don't want to be. To end up where you want to be, you'll need a roadmap, a financial plan.

What do you want to save or invest for?	By when?
1. ____________________________	_______
2. ____________________________	_______
3. ____________________________	_______
4. ____________________________	_______
5. ____________________________	_______

Figure 2. Financial goals (Source: Investor.gov, Saving and investing)

When the investment makes money and when it does not?

You may make money if	You may lose money if
The company performs better than other competitors	The company's competitors are better than it is
Investors want to buy the company because they recognize that it is a good company	Investors don't want to buy the company's stock because it is too expensive given its performance and future outlook.
The company makes profits	The company expenses are larger than its profits.

Other reasons to lose:

The people running the company are dishonest. The brokers who sell the company's stock manipulate the price so that it doesn't reflect the true value of the company.

Recommendations while investing:

- Make a financial plan.
- Pay off any high interest debts if you have then start saving or investing.
- Realize your current financial situation (figure 3).
- Count your income and your expenses.
- Find money to invest (Figure 4).
- Diversify Your Investments "Don't put all your eggs in one basket".
- Understand the risks of the investment.
- Measure Your Risk Tolerance. "When you will need the money and your goals".
- Understand the fees associated with the buying, selling, and holding the investment.
- Check your investor Preparedness (Investor Preparedness Checklist[3]) (figure 3)
- Investor.gov website provides unbiased information to help you evaluate your choices and protect yourself against fraud. Visit the Roadmap to Saving and Investing https://www.investor.gov/introduction-investing/investing-basics/save-and-invest
- Review Investor Alerts: https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins.
- Before investing, check if the investment is registered, check if any investor has complained about the investment in the past, check if the owner of the investment or the people who manage the investment have been in trouble in the past, check if the person who is selling this investment is licensed, and finally check if this person has been in trouble with other investors in the past.
- A professional investment advice if needed to help you make investment decisions.

[3] Investor Preparedness Checklist chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.investor.gov/sites/investorgov/files/2019-03/OIEA_Financial_Capability%20Checklist.pdf

PLOUTOS

YOUR NET WORTH STATEMENT			
Assets	**Current Value**	**Liabilities**	**Amount**
Cash	________	Mortgage balance	________
Checking accounts	________	Credit cards	________
Savings	________	Bank loans	________
Cash value of life insurance	________	Car loans	________
Retirement accounts	________	Student loans	________
Real estate	________	Other	________
Home	________		________
Other investments	________		________
Personal property	________		________
TOTAL	________	**TOTAL**	________

Figure 3. Net worth statement (Source: Investor.gov, Saving and investing)

Figure 4. Income and expenses

KNOW YOUR INCOME AND WHAT YOU SPEND	
Monthly Income	________
Monthly Expenses	
Savings	________
Investments	________
Housing	________
Rent or mortgage	________
Electricity	________
Gas/oil	________
Telephone	________
Water/sewer	________
Property tax	________
Furniture	________
Food	________
Transportation	________
Loans	________
Insurance	________
Education	________
Recreation	________
Child care	________
Health care	________
Gifts	________
Other	________
TOTAL	________

(Source: Investor.gov, Saving and investing)

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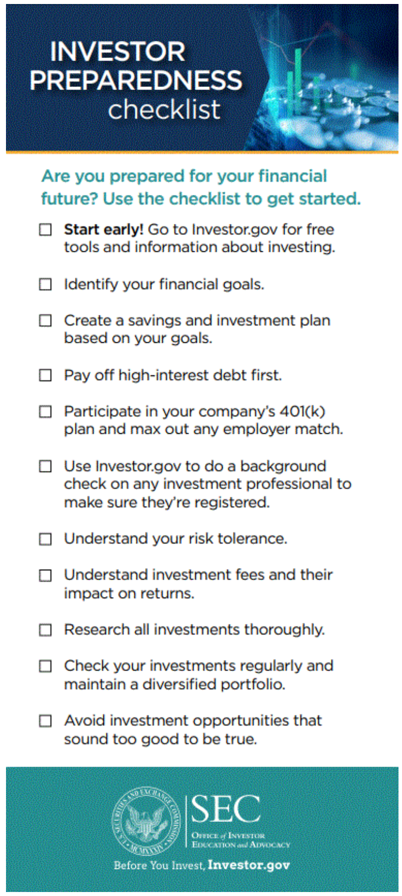


Figure 5. Investor Preparedness Checklist

Avoid investment fraud:

To protect your money, you should know how scam artists work and how to invest wisely.

Follow these instructions to help you avoid investment fraud[4]:

1. Be aware while sharing your contact information to any investment promotion.
2. Be aware of red flags for fraud and common persuasion tactics.
3. Learn where to go for help, ask questions
4. Learn how to protect yourself online.
5. Be aware of different types of investment fraud.

[4] https://www.investor.gov/protect-your-investments/fraud/how-avoid-fraud

6. **Invest in your own business**[5]

You can invest in your own company by loaning funds to the company or by purchasing equity. However, you need to understand your business finances i.e., how much you can afford to invest, and how much your company is expected to make in the coming year.

Before you start investing your own business you should think about the following factors to realize how much to invest back in your business.

1. Your business finances (How much you can reasonably invest, a high-level forecast of your year and a basic understanding of your cash flow).
2. Your personal finances
3. Your goals

When your business has excess cash, you can reinvest into the business or put elsewhere to grow your money. These will be better than leave your money in your bank account and increases your tax liability.

Business investment options:[6]

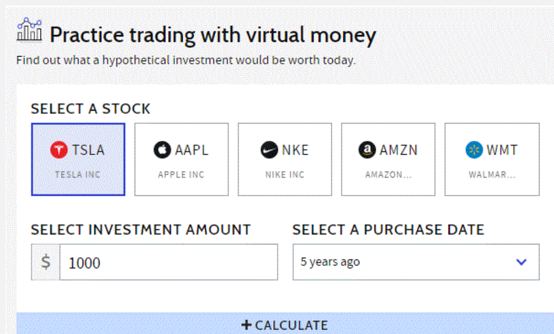
Acquisitions: You can invest the excess cash from your business in new products or services. You might purchase another company and merge it into yours to expand your locations, customers and distribution**.**

Capital Investments: You can buy new machine, computers, software, trucks, or any assets that increase your production and reduce your operating costs. These investments will decrease costs and increase your production, improving your profits but not generate interest or increase sales. You can also buy items you currently rent which will improve your bottom line.

Real Estate Investments: You can own your office building, manufacturing plant, retail stores, or warehouse rather than lease them. If real estate depreciates this will provide you with a tax deduction

[5] https://www.shopify.com/blog/investing-in-your-business
[6] https://smallbusiness.chron.com/types-business-investment-69783.html

	and if the real estate increase in value this will improv your balance sheet and helping you negotiate more credit. **Increasing Marketing Spending:** investing in marketing will provide a potential long-term payback through increased sales. For example, buying advertising, running promotions, conducting marketplace research, customer surveys, holding focus groups, funding product research and development, building distribution channels, and creating and maintaining a brand. **Workforce Improvement Investments:** you can invest in ongoing training to improve job-specific skills and general management competencies which will improve your workforce. You can also provide the latest technologies to your staff which will increase their productivity and efficiency and therefore pay significant dividends.
Activities/ Exercises in class	**In-class exercise and activities** • Students, sit in pairs, visit Investor.gov website (https://www.investor.gov/). • Students will try the calculators on Investor.gov website (https://www.investor.gov/free-financial-planning-tools). • Students will visit the Roadmap to Saving and Investing (https://www.investor.gov/introduction-investing/investing-basics/save-and-invest) • Students will fill in: -financial goals (Figure 2). -a net worth statement (Figure 3). -income and expenses (Figure 4). • Students will watch video about avoiding investment fraud. ○ **Be Aware Before You Share:** https://www.sec.gov/news/sec-videos/be-aware-you-share • Students will try the free Financial Planning Tools: https://www.investor.gov/free-financial-planning-tools • Student will visit some websites that provide business investment

	recommendations in the host countries (project partners countries). An example from Sweden: https://www.business-sweden.com/services/invest-in-sweden/ • Students will practice trading with virtual money ((AAPL, NKE; AMZN, TSLA) (https://www.investopedia.com/terms/r/riskmanagement.asp)  • Student will check their investor Preparedness by using the Investor Preparedness Checklist.
Suggested Evaluation Questionnaire	ANNEX 1
References/ Bibliography	ANNEX 2
Glossary/ Terms	ANNEX 3

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Module 6 – Loans	
Main objectives	Increase abilities and knowledge of participants Increase business awareness and reduce general risks Help to engage more with the community Provide leadership opportunities
Learning outcomes	Learn basic knowledge about loans
Description of the training content & material	The purpose of this course is to improve TCN's ability and knowledge in the field of economics and finance, as already stated above (objectives). This course is designed as a lecture because of the topic. Despite their importance, visuals are not the main focus of the lecture. Our aim is to prepare TCNs for their potential integration into the business community of their host country and giving them access to a broad range of knowledge. Materials/tools needed • PC • Projector • Internet
Duration	2 hours

Loans

<u>How do loans work?</u>

Financial resources represent the needs of individuals and legal entities. They represent a resource of any kind that enables persons to fulfil their needs and desires. Most commonly, they are defined as money (cash) or assets that become money (e.g., money in an account). Financial resources can be provided in a number of ways. One of them is borrowing from authorized institutions. A loan implies a property relationship based on the borrower's (borrower, debtor) need for funds, on the one hand, and temporarily free funds of the lender (lender, creditor), on the other. In this context, the focus has been placed on bank credits (loans). In addition to secured and unsecured loans, there are also commercial and private credit facilities.

A loan cycle

A loan cycle is the period between the time a borrower applies for a loan and the time the loan is repaid to the lender with interest. The loan cycle consists of five main phases. Each of these phases requires a series of actions.

1. ***Application*** - Potential borrowers complete a loan application to ask lenders to approve a loan. Although this application is occasionally submitted on paper, lenders are increasingly using an electronic version, making this phase paperless.
2. ***Processing*** - Processing a loan involves gathering and verifying certain data about the borrower and the real estate transaction itself. The lender is primarily interested in the property in question and your financial status (including your loan history). During the process, information is gathered to determine whether you are able to repay the loan and whether you want to do so.
3. ***Underwriting*** - Underwriting is the process of determining whether a loan is a good risk for the lender. The most important goal in underwriting is to avoid as many unnecessary risks as possible.
4. ***Closing*** - Funding and closing the loan are the final steps in the loan process if the loan is approved. At loan closing, the final details of the loan transaction are finalised and the loan funds are disbursed. Often the closing is performed by a law firm or attorney.
5. ***Servicing*** - All actions taken from the closing of a loan to its repayment fall under the term "servicing." Servicing is used to ensure the timely repayment of the loan and to preserve the lender's rightful claim to the money.

Questions: life cycle of a loan

Loan types

Most commonly, loans are divided by purpose and term. A distinction is made between general-purpose loans and specific-purpose loans. General purpose loans are usually offered and made for shorter periods than specific-purpose loans, which are made for longer periods. Based on the term, loans are divided into short-, medium-, and long-term loans.

General-purpose loans are purpose-free, meaning they can be used for any purpose. In the case of general-purpose loans, banks do not control the use of loan funds. This is also the main advantage of general-purpose loans, as individuals can use them according to their needs. On the other hand, general-purpose loans have a higher interest rate for the bank, higher placement risk, lower loan amounts and shorter repayment periods. Types of general-purpose loans are**:**

Credit line

Represents the allowable overdraft on the checking account. Due to its availability, the involuntary credit was the most frequently used. The amount of this credit depends on the amount of regular monthly income of the current account holder.

Cash loans

This is the deposit of cash into the borrower's account to bridge liquidity problems. Order letters and bills of exchange are used as collateral for the disbursement of cash loans.

Lombard loans

Lombard loan is granted on the basis of pledging movable real assets (security, deposit, insurance policy, investment fund share, housing savings, movable assets, etc.). The movable assets serve as collateral for repayment of the loan and the loan amount is lower than the market value of the pledge. If the loan is repaid on the agreed terms, the borrower remains the owner of the pledge. The security of the loan repayment is determined by the quality and value of the pledged property and not by the creditworthiness of the person.

Mortgage loans

It is a cash loan characterised by using a mortgage on a property as collateral. It is used when a higher amount of cash is needed and high quality real estate is required for the loan application. In this case, the property should be appraised by an appraiser who is authorised to perform appraisals.

In specific-purpose loans, the contract specifies the borrower's use of the loan funds. The borrower must use the loan funds for the purpose specified in the contract. If the borrower does not act in accordance with the purpose of the loan, the Bank may terminate the loan agreement on the basis of evidence before the expiry of the agreed time. Therefore, the specific-purpose loan contract regulates in detail the rights and obligations of both parties in case of non-fulfilment of the purpose of the contract. The specific-purpose loans are:

- Consumer loans
- Loans for motor vehicle purchase
- Student/pupil loans
- Housing loans

Consumer loans

They are usually approved in cash on the basis of a prepared estimate for the purchase of certain goods or on the basis of a quotation issued by the seller. They are approved for various family or household purposes and are intended for the purchase of consumer durables (e.g., purchase of furniture, white goods, automotive equipment, etc.). Allows for consumption beyond the individuals' current available means.

Loans for vehicle purchase of a vehicle engine

Made on the basis of an invoice issued by the seller for the purchase of the vehicle or on the basis of an agreement to transfer ownership of the loaned vehicle.

Student/pupil loans

It is approved for the payment of the costs of studying at home or abroad, and also for the payment of tuition fees for private secondary education.

Housing loans

Loan to finance the purchase, construction, furnishing or improvement of a property (house or flat). It is approved and disbursed in full by payment directly to the seller's or builder's account. The bank grants a housing loan, but in return requires various collateral such as liens on assets, insurance policies, guarantors, etc. At the individual country level, closings are often promoted by subsidising housing loans for young people (lower interest rates, subsidising part of the interest rate, etc.).

In terms of maturity, loans are divided into short-, medium-, and long-term loans. Short-term loans are loans with a maturity of up to one year. Medium-term loans have a term of one year to five years. Long-term loans are all loans with a term of more than five years. These loans are most often used for larger, long-term investments. Because they are made for a longer period of time and for larger amounts, making long-term loans is tied to liens on real property (mortgages) and is therefore a very risky business for banks. Therefore, other forms of credit insurance are sometimes required.

Questions: Types of loans

Creditworthiness

Before entering into a loan agreement, the borrower must submit the documents and go through the bank's selection process. During the selection process, the Bank assesses the borrower's creditworthiness. Creditworthiness is an assessment that shows whether the borrower, as a debtor, is able to repay the accepted loan amount on a regular basis. The assessment of creditworthiness is carried out by processing data on a person's monetary liabilities. The elements for determining creditworthiness, as well as the procedure itself, are specified in the regulations of individual banks. The most common elements are divided into basic elements and additional elements.

Basic elements:

- employment status
- amount of salary/pension
- existing loan obligations
- regularity
- age of the natural person

Employment status refers to permanent and temporary employment. Permanent employment is preferable because it provides more certainty about the duration of the employment relationship. Banks determine employment status based on a written, certified employer certificate or employment contract. The amount of salary or pension is another factor to consider. This element is evidenced by salary or pension schedules for the most recent extended period (e.g., 6 months). The higher the salary or pension, the more likely it is that a higher loan amount will be granted. Existing credit obligations are taken into account as they already affect a person's debt. A person's age affects their ability to repay debts, especially for long-term loans.

Additional elements:

- Property
- Employer assessment
- Additional income
- Household

If a person has assets, such as real estate, they can increase creditworthiness because they can serve as a mortgage or as collateral for repayment. In addition, the bank checks the creditworthiness of the employer through a credit check. It takes into account whether the employer is privately or state owned, whether it is a small, medium or large employer, its income, assets and other financial indicators. Additional income of a person is desirable, as it indicates an additional inflow of funds and thus increases the income of a person. The household headed by the person (number of household members, number of dependents) is also important.

When assessing creditworthiness, the bank makes sure that the new loan does not overburden the person or that part of his or her income is available for other needs. The decision as to whether or not the person is creditworthy rests solely with the bank. After assessing creditworthiness, the bank may deny or approve a person's loan application. If a bank approves a person's loan application, the next step is to enter into a loan agreement.

Questions: Creditworthiness

Loan Agreement

The contracting parties conclude a loan agreement on the basis of which the loan is granted. The contracting parties are the lender (usually the bank) and the borrower (a private individual). When

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concluding the loan agreement, the following is determined:

- the amount of the loan (depending on the creditworthiness of the individual),
- the period of time and the way in which the lender will fulfil its obligations,
- the interest rate for regular interest and interest on arrears and, if possible, measures to protect against the effects of inflation,
- grace period (period after which regular repayment of the loan will begin),
- the method of repayment of the loan, i.e. repayment of the loan (all at once or in instalments
    - amount of instalments), and
    - the duration of the repayment of the loan.

The lender pays the agreed loan amount after the contract is concluded. The loan amount is paid all at once or in instalments (instalments). The obligation to repay the loan by the borrower starts only when the loan has been fully disbursed.

If the Borrower draws the loan in instalments, the Bank shall liquidate each instalment from the moment of transfer of the first instalment until the beginning of regular repayment of the loan. The liquidation ends with the repayment of the last loan instalment, i.e. with the repayment of the entire loan. The full repayment of the loan includes the repayment of the principal (total amount of the borrowed loan) and the interest (total interest on the borrowed amount). In other words, the interest is the consideration for the borrowed funds that the debtor pays to the bank for a certain period of time.

Questions: Loan Agreement

Interest rate

The percentage of interest payable on the principal is called the interest rate. A distinction must be made between the nominal interest rate and the effective interest rate. The nominal interest rate is the interest rate specified in the loan agreement, while the effective interest rate is the interest rate calculated when the loan is concluded. The effective interest rate provides a more realistic picture of the total price of the loan because it includes fees paid at origination. Loans can be taken out with a fixed or variable interest rate. They can also be entered into with a combination of fixed and variable interest rates. It is important to note that once agreed upon, fixed interest rates cannot be changed during the term of the contractual relationship. In contrast, variable interest rates can rise or fall during an agreed period because they contain one (or more) parameters whose change does not depend on the will of one party and which are clear and known to customers. Interest rate combination is the agreement of the period during which the fixed interest rate applies and the period during which the variable interest rate applies. The amount of the interest rate depends on the type of the product, the business relationship with the customer, the period for receiving the deposit or loan, the currency of the deposit or loan, the amount of the deposit or loan, the current financial market situation, legal regulations and other elements that affect the design of the interest rate.

Questions: Interest rate

Repayment of loans

Repayment of a loan may be made in a single payment or in several instalments or annuities. In most cases, loans are repaid in monthly instalments. The instalment consists of the interest received and a portion of the loan repayment (called the amortisation payment). Annuity repayment helps ensure that the same amounts are repaid each month, while repayment in instalments can vary from month to month. With annuity repayment, the monthly instalment is always the same because the reduction in the interest portion increases the repayment portion. The amount of the annuity is calculated at the time of borrowing based on the term, the loan amount and the interest rate. With instalment repayment, the monthly payment decreases as the repayment progresses because part of the repayment remains the same and part of the interest decreases. This information can be found in the payment plan that accompanies the loan. The payment plan is a table that shows the development of the accrued interest, the repayment instalments, the annuities and the remaining debt. At the end of the agreed loan term, the residual debt is zero, the sum of all repayment instalments equals the initial debt, i.e. the loan, the sum of all repayment instalments and interest equals the sum of all annuities.

Questions: Repayment of loans

Information

The terms of the loan depend on the business of the banks, which are guided by the laws and regulations of the country in which they operate. When taking out a loan, it is important to become well acquainted with all the elements and conditions of the loan. This is supported by the form EUROPEAN STANDARDISED INFORMATION SHEET (ESIS), which banks must give to the borrower before taking out the loan. The form allows the comparison of different loans, but also the comparison of the offer and conditions for the same type of loan at different banks, which is useful for financial decisions. The form contains information on the main characteristics of the loan (type, amount, term, type of interest rate), amount and calculation method of the nominal and effective interest rate, frequency and number of annuities or instalments, example and effect on repayment in case of increase of the variable interest rate, example and effect on repayment in case of increase of the exchange rate, if the loan is denominated in foreign currency or tied to a foreign currency clause, etc.

Loans for business users

Loans to business users differ from loans to private users. Business users generally require higher loan amounts if they want to start a business or improve their business through additional investment. In the case of business users, creditworthiness/credit capacity is generally determined through a financial and non-financial analysis.

The financial analysis includes horizontal and vertical analysis, analysis of financial indicators of business activity, indicators of regularity of payments, continuity of business activity, projections of future business activity, contracts concluded for new business, purpose of credit, etc. The non-financial aspect of the analysis includes an analysis of the company's management and operations, which includes the following

- obtaining information on the conditions under which the company operates
- analysing the organisational and business structure of the company
- evaluating the stability of the company's operations
- analysis of the quality of the management/ownership (track record, blocking)
- evaluation of the quality of the data presented
- analysis of the activities
- collection of data on the company's business activities
- market analysis: customers, suppliers, competition

It should be noted that these analyses are not uniform and vary depending on the type of loan, the institution from which the loan is taken, and the rules and regulations of the country in which the business is established. Business users starting a business do not have an existing business and data from which the bank can determine the borrower's creditworthiness. In this case, entrepreneurs seeking a loan must often prepare a business plan for their company, which is then evaluated and analysed by the bank. The business plan is a written document in which the entrepreneur clearly defines his business goals and briefly explains how he intends to achieve them. In addition to the business plan, an investment study is also prepared. The investment study is a document that shows for the investment the financial and economic viability of the investment and how the project will be realised. It represents a set of information used to make rational decisions and consider multiple scenarios. For more complex investments, preliminary studies are sometimes prepared in which various economic, financial, technical and other solutions are considered in order to choose the optimal option.

For business users, there are different types of loans depending on the support programmes in each country. Thus, in individual countries there are support programmes for small businesses, young entrepreneurs, women entrepreneurs, etc. In order to finance and develop an activity in a selected EU country, it is necessary to learn about the available financing methods. If you want to start a business, you can use EU funds. EU funding allows local financial institutions to offer additional financing to businesses. These financial institutions set the exact terms of the funding, including the amount, time frame, interest rates and fees. Entrepreneurs, start-ups, micro-enterprises, small and medium-sized enterprises, and larger corporations can apply for EU funding regardless of their industry or company size. Business loans, microfinance, guarantees and venture capital are just a few of the many types of funding available.

More than 200,000 businesses receive support from the EU each year. See this page for ways to apply for loans in your host country: https://europa.eu/youreurope/business/finance-funding/getting-funding/accessfinance/search/en.

Activities/ Exercises in class	Questions to each topic (recap purpose)
Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2

Glossary/Terms	ANNEX 3

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Module 7 – Income Generating Activities: Selection, Planning and Management	
Main objectives	• To select an Income Generating Activity (IGA) that is suitable for individual circumstances of participants, after careful considerations of the technical, marketing, social, and financial aspects of a number of alternatives IGAs • To plan for a successful launch of the IGA after the selection has been made • To manage the IGA effectively, so that the loan is repaid on time, the income earned from the IGA matches expectations, and the risk is kept within manageable limits
Learning outcomes	• Participants will clarify their aspirations and set relevant life goals; • Participants will identify and select business viable ideas, plan, start and grow such businesses;
Description of the training content & material	Three main subjects will be discussed during the module: ✓ Selecting a suitable IGA ✓ Preparing an operational plan ✓ Managing the IGA The course will use training methods that are designed to encourage creative thinking and maximum retention of the key concepts. The session will be followed by an exercise that reinforces the learning points and guides the participants as they individually investigate potentially suitable IGAs. Each participant will make a decision about the most suitable IGA for him or herself after completing Module 7. The assignments thereafter will prepare them for the successful launch of their IGAs.
Duration	2 hours
Income generating activities: selection, planning and management **Define an Income Generating Activity (IGA)**	

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Ask participants to define an IGA: Try to draw out responses that cover the following:

"An Income Generating Activity is anything we make and sell, or something that someone pays us to do for them. It is an activity in which the owner usually focuses on income."

The sector of activity of income generating activities

The sectors of activity can be various according to the countries:

- Trade
- Services
- Transport
- Horeca
- Building
- Crafts
- Agriculture

The aim of income generating activities

The aim of an IGA is to produce for the market and furthermore it can be called micro or small-scale enterprise, whether it is managed at individual or group level. One of the main criteria to choose an IGA should be its profitability.

The step of the income generating activities

1. Selection

A) Introduction to IGA selection

Ask the participants to discuss how the people in their community usually identify and select IGAs to operate? Through the discussion participants may mention the following ways:

- See other people doing it
- Hear that it is profitable
- Think that it is easy to operate

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- They heard that the market is growing up
- Someone told them the IGA has a good prospect
- They think they can make a remarkable profit

Through the discussion, let the participants realize the dangers of selecting an IGA without careful consideration of all important aspects. Generate a list of things that they should have thought about before starting an IGA. Such a list should include the following:

- The needs of the market before undertaking to supply the market.
- Sufficient knowledge about the size, quality, quantity, price, and marketing cycle of the product must be gathered first before launching the IGA.
- Knowledge of what buyers know about the products first.
- Knowledge of the quality of competing producers.
- The cost implications and risks involved in the IGAs.

B) The Six Important Points

Explain that the six important points should be thought about before selecting a suitable IGA from several alternatives.

Can I start and operate this IGA?

I must think about my:

- Knowledge
- Skill
- Attitudes
- Time availability

If I do not know how to operate the IGA, do not know how to respond to problems or do not have enough spare time to work on it, then it would be wise to identify another IGA.

Will people buy the products or services I want to sell?

I must investigate the market for my products or services. Here I must think about:

- Demand for the products or services
- Supply of the products or services

To assess the demand and supply situation of my IGA, I need to think about:

- Who will buy my products or services? Are there enough buyers?
- Can I sell the products all year round? Or will the level of sales vary from season to season?
- Where can I sell my products or services?
- How much can I sell each day, week, or production period?

If there may not be enough buyers, or there are many other sellers of the same products in the same market I want to serve, then I should think about a different IGA.

How much money do I need to start up and operate each of my IGAs?

I need to think about:

- How many IGAs do I want to operate?
- How much money do I need to start up and operate each of these IGAs?
- Do I have access to the required money?
- Can I get a loan from financial institutions?

If my money is not enough and financial institutions cannot give me a loan to meet operational as well as start-up costs, then I should choose a different IGA or set of IGAs.

Is this IGA profitable?

I must figure out if there will be any money left at hand after I have paid all the expenses. To estimate the income, I will get from this activity, I should:

• Calculate the cost of the inputs (exclude start-up cost), as well as selling costs

• Calculate the total value of sales

• Estimate income by subtracting costs from sales

By doing this I can appraise the level of income for each of the IGAs that I have under consideration. If the IGA is not at all profitable, then I should drop it.

To conclude the six important points that should be considered before one can start an IGA. One needs to ask him/herself the following questions that will help to analyze the situation and come up with possible options of IGAs:

1. **Goals:** What do I want to achieve in the next 6 months, one year or 2 years?
2. **IGA:** What suitable IGA (product or services) can sell for income to achieve my goal?
3. **Knowledge, skills, right attitudes, and time:** Do I have the knowledge, skills, right attitudes, and time needed to operate this IGA?
4. **Market:** Can I sell the products or services of this IGA?
5. **Capital:** Do I have enough money to start up and operate the IGA? What are the possible sources for funding this IGA?
6. **Income:** Is the IGA profitable to enable me to achieve my goal?

Allow the participants to re-phrase the points in their own words several times. Stress them the importance of each of these points for selection of a suitable IGA

2. Planning

Planning is presented in a very simple way, as the sum of two parts: Tasks and resources.

- **Tasks** refer to all the things that must be done, from buying the equipment and raw materials to production to the selling of the finished product.
- **Resources** refer to all the things that must be available and money that must be spent if the IGA is to operate. Common examples include equipment, raw materials, and other inputs.

Planning can be thought of as the process of organizing the resources to perform the tasks.

Explain that prior to detailed task and resource planning, it is essential to decide on the quantity of production:

- What product or products do I want to produce?
- How much of each item do I want to produce?

Ask the participants why it is important to determine the quantity of production first. Make sure that participants understand the relationship between production quantity, resources, and tasks before continuing:

- Working costs are directly related to quantity; as quantity rises, so do working costs
- Similarly, greater quantity means that more time must be allocated to completion of the tasks

Next move to task planning. Remind the participants that they must think about every task that needs to be accomplished, from the purchase of the raw materials right through to the selling of the final product.

Ask participants what types of tasks are common to all IGAs.

From this discussion it should emerge that:

- Common tasks include purchasing the equipment and raw materials, and selling the product
- IGAs that transform a raw material into a finished product also have a set of tasks associated with the production itself
- Trading activities have no other tasks

Review each of the following question areas:

- Who will buy the equipment, raw materials, and other inputs?
- How will they be transported to the production site?
- What are the steps in the production process?
- How much time is required for each of these activities?
- Can my family members and I spare this amount of time?
- Who will sell the products?
- Where will they be sold?
- How much time will it take to sell the products?

Now move to resource planning. Explain that you must make sure that you can obtain and pay for all the resources that you need for the desired quantity of production.

Explain that resource planning relates mainly to answering the following types of question:

- What do I need?
- How many do I need?
- How much will it cost?
- When do I need to buy it?

Equipment and Tools

- What equipment and tools are required?
- How many do I need of each?
- Do I need to buy all these items?
- Can they be rented or borrowed?
- When do I need to have these items?
- How much does each cost?
- How much money do I need for all necessary equipment?
- How much do I have to pay for transport of these items to my production site?

Raw Materials

- What raw materials are required?
- What quantity of raw materials do I need for the expected quantity of salable goods?
- When do I need to buy each item?
- How much does each of these raw materials cost?
- How much money do I need for all raw materials for one production cycle?
- How much do I have to pay for transport of these items to my production site?

Other Inputs

- Do I need any other inputs?
- What items, and how much of each?
- When do I need to buy these other inputs?
- How much do these items cost?

Selling Costs

- Do I have to transport the products to the market?

- Do I have to pay a market tax?
- Move to the next step after each of the above question areas has been fully discussed.

3. Management

This part identifies cash management and risk management as the most important areas of management for the owner of IGAs.

The intermingling of business funds and household funds is common among the operators of IGAs, and often leads to decapitalization of the activity. This happens when household expenses exceed the amount that is being earned from the activity. Because IGA owners rarely, if ever, pay themselves a regular salary, cash is expended on household expenses as and when it's needed. Lack of records makes it difficult to track and thus control these expenses. The result may be a depletion of the IGA's working capital, and a failure to notice the situation, until it is too late.

Learning how this situation may arise, the dangers it presents and how the IGA's cash situation may be managed is the focus of this part. Participants are exposed, to the situation of a woman who is unable to restock the items in her grocery shop despite a good profit.

The cash that comes in from sales should be allocated to four categories: working costs, loan repayment, household expenses and savings. Furthermore, funds should be allocated to the loan repayment and working costs before spending on household expenses or setting aside money for savings. This is the central concept of cash management.

The hard part is instilling in oneself the financial discipline to defer consumption until the money for loan repayment and working costs has been set aside.

Savings are emphasized as an important means of planning for and managing the risks to the well-being of the family and the IGA from unforeseen events and expenses.

The participants discuss the implications of each of the events depicted, which include:

- Provision of credit to customers
- A risk related to the operation of the IGA
- An unforeseen domestic expense

- An unforeseen natural disaster

They then discuss how these risks can be planned for and managed so that the family's economic well-being is not threatened. The necessity of regular savings emerges from this discussion. Savings are the fourth area where incoming cash from the IGA should be allocated. It is also the most difficult part of the cash allocation process. This is because it is always easier to set money aside for present expenses (household, loan repayment) and expenses soon to be incurred (replenishment of working costs) than it is to set aside money for future needs.

Tell the participants that they will discuss the situation of a woman who had a management problem. They should listen to the explanation of her situation and then discuss the possible causes.

Situation: What are the problems at Fatima's shop?

Six months ago, Fatima started a small shop (selling vegetables, fruits, and sweets) in her village with some money received from her family. The start was fine and promising. To expand her business, she got a loan from a microfinance institution. She kept her shop open for the whole day and remained busy selling the products. She kept the cash received from sales in a wooden cash box. From time to time, she used some of the money in the cash box for reinvestment in stocks. She also used money from the same cash box for family expenses.

One day a loan officer came to visit Fatima to see how her table was progressing. The loan officer noticed that stocks of many items were low and that many of the boxes used to stock items such as fruits and vegetables were completely empty. The loan officer tried to find out from Fatima whether the business condition was due to a low profit that made her reluctant to restock the items. But from the conversation, the loan officer realized that the income-earning prospect from the IGA was still excellent. She should have plenty of money in the cash box to restock her boxes on a regular basis, to expand the business and to pay necessary household expenses on a regular basis.

Fatima said that she needed another loan so that she could restock the shop. But the loan officer was confused. He wondered why Fatima needed a loan when she was apparently making a good profit.

After telling the story, ask the participants the following question:

PLOUTOS

What do you think could be the cause of Fatima's problems?

Allow the participants to discuss and come up with several possible answers. These might include the following:

- Fatima withdraws money from the cash box to pay household expenses. Maybe she is spending more than she can afford, given her level of earnings from the IGA.
- She may be giving away items to friends and relatives, thinking that the amounts are small. But over time, this could be a reason that her stocks are being depleted.
- She may be giving credit to customers, and not getting all this money back.
- She might have needed advice on how to run the business when it expanded.

If participants do not name all the above points, mention them yourself. Then explain that these types of problems are common for IGA holders. For this reason, they need to actively manage the cash and credit from their IGAs. Tell the participants that this is the most important aspect of management that they must understand if they are to run their IGAs profitably.

Remind the participants that at the time of IGA startup, cash flows into the business from a combination of personal savings and loans, which are used to pay the startup costs and the first batch of working costs. After that, production takes place and cash flows into the business from sales.

*Then explain that this cash must be carefully managed. Tell the participants that one of the most important points that they should remember when managing their IGAs is that the **ca**sh received from sales should be allocated to different categories before any of it is spent.*

Activities/ Exercises in class	In-class exercise if time allows: Participants works in group of 3 and try to select an IGA. Each group will present to the class the IGA they have choose and the reason and how they will plan and manage the IGA.
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

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Module 8 – How to Create Business Plan	
Main objectives	• Student will learn about business plan elements. • Student will learn how to set up a business plan.
Learning outcomes	After this session, students: • Will be familiar with business plan and its different types. • Will be able to do SWOT analysis (identify and analyze internal strengths and weaknesses and external opportunities and threats that shape current and future operations and help develop strategic goals). • Can create their own business plan.
Description of the training content & material	✓ Teacher will present the business plan elements and different types of business plan. ✓ Teacher will present the business model canvas. ✓ Class will watch the following video about how to write a business plan ✓ Instructor will ask the student to fill in a business plan templet. (Instructor choose a suitable templet). ✓ Student will practice the elevator pitch to descript their business idea. ✓ Students will practice filling in their business plan in Business Model Canvas. ✓ Students will work in group of (4-5) and they present their business plan to each other. (By using Business Model Canvas). ✓ The teacher will provide the students with digital or printed Business model canvas.
Duration	4 hours

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What is a business plan?[1]

A business plan is a fundamental document that startups and established companies should have before starting a new business to identify their objectives and remain on track to meet goals. This document defines the business's goals and how it intends to achieve these goals. It is a written road map for the business, marketing, financial, and operational issues.

Figure 1. Business plan (Source: Source: Investopedia 2022)[2]

The business plan describes the business, its products or services, its management and staff, its financing, its operations model, and many other details vital to its success.

The business plan is used to keep company's team on the same page about strategic action items and on target to meet the company's established goals, to help lending from financial institutions (banks and venture capital firms), to attract investment before a company has established a proven track record.

This plan should be reviewed and updated occasionally to meet the achieved or changed goals.

There are two types of business plan: the traditional business plan and lean startup business plan.

In the following sections we will present the traditional business plan first and then the lean startup business plan (business model canvas).

[1] https://www.investopedia.com/terms/b/business-plan.asp
https://www.nerdwallet.com/article/small-business/business-plan
https://www.forbes.com/advisor/business/how-to-write-a-business-plan/
https://www.shopify.com/blog/business-plan
[2] https://unsplash.com/s/photos/business-plan

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Figure 2. Business plan (Source: Ihttps://unsplash.com)[3]

The traditional business plan consists of:

1. An executive summary.
2. Company description.
3. Market research/analysis.
4. Products and services.
5. Customer's segmentation.
6. Marketing plan and strategy.
7. Financial

1. ***Executive summary***

The executive summary is an extremely important part of any business plan which will include the key points from your plan, a mission statement, a brief description of your products or services, leadership, and a broad summary of your financial growth plans if you intend to ask for financing. The executive summary can be written at last so you can highlight information you've identified while writing other sections that go into more detail and it should not exceed one page.

The main elements in the business plan's executive summary are:[4]

[3] https://unsplash.com/s/photos/business-plan
[4] https://www.shopify.com/blog/business-plan

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- Business concept. What does your business do?
- Business goals and vision. What does your business want to do?
- Product description and differentiation. What do you sell, and why is it different?
- Target market. Who do you sell to?
- Marketing plan. How do you plan on reaching your customers?
- Current financial state. What do you currently make in revenue?
- Projected financial state. What you foresee making in revenue?
- The ask. How much money are you asking for?
- The team. Who's involved in the business?

The best way to prepare your executive summary is to use the "elevator pitch" technic which is a quick synopsis that it should be short enough to present during a brief elevator ride. (Read more about elevator pitch here https://www.thebalancemoney.com/elevator-speech-examples-and-writing-tips-2061976).

How to make an elevator pitch:

- Keep your speech short and nice, 60 seconds or less.
- Say who you are and what you what to achieve and your company goal.
- Focus on what you want to do and be positive and persuasive with your limited time.
- Practice your speech with a friend or record it to make sure that your message is clear.

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Figure 2. Elevator Pitch (Source: MADDY PRICE / THE BALANCE)[5]

2. ***Company Description***

The company description is the best place to boast about your strengths and it will include more specific informing than the executive summary about what do you plan to do and an introduction to why you're in business and why you're different.

The company description should include business's registered name, your business address, key employees involved in the business, your business structure, partnership, your competitive advantages, your business model, the industry, your business's vision, mission, and value proposition, your team, consumers, organization, or businesses your company plans to serve.

3. ***Market research/analysis.***

The company needs a good handle on its industry as well as its target market. In addition, you also need to understand the industry outlook and target market well. So, market analysis section will include an overview of how big you estimate the market is for your products, an analysis of your business's position in the market, and an overview of the competitive landscape.

[5] https://www.thebalancemoney.com/elevator-speech-examples-and-writing-tips-2061976

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In market analysis section, you can explain your expertise, your different approach and your competitive advantages in greater depth. Here you can show that what you're offering is vital to the market and fills an important gap.

In the market analysis section, you can write about your company's competition, point out what you can do better, explain if you're serving a different or underserved market and detail your company's relative strengths and weaknesses.

General suggestion to help you in your market research:[6]

- Your ideal customer profile: your customers ages, the size of your target group, expected changes to the number of people in your target age range over the next few years.
- Relevant industry trends and trajectory: consumption patterns among your target group, information on whether your general industry is projected to grow or decline over the next few years.
- Informed guesses: base your estimates on as many verifiable data points as necessary for a confident guess.
- Potential market research sources are government data, government statistics offices, industry associations, academic research, and respected news outlets

SWOT analysis

SWET analysis includes strengths, weaknesses, opportunities, and threats.

[6] https://www.shopify.com/blog/business-plan

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Table (1): SWOT analysis (Shopify)

Strengths	Weaknesses
•Previous experience scaling ecommerce business •Strong ad management experience •Patented product •Exclusive deal with manufacturing company	•No team management experience •Breakable product, making shipping more expensive
Opportunities	**Threats**
• Strong growth in product category sales • No "market leader" in category, many smaller firms	• Regulation pending for product category in international markets

4. ***Products and services:***

This section will outline key details (e.g., pricing, product lifespan, and benefits to the consumer) about your products and services that you will offer to the interested readers. In this section you can describe your new products that you'll launch in the future and any intellectual property you own (copyright or patent filings.), express how they'll improve profitability. You can explain how your service or product benefit your customers and what the product lifecycle looks like. In addition, this section could include information about production and manufacturing processes.

5. ***Customer's segmentation***

Customer's segmentation includes information about you target customer or market (e.g., general and specific demographic characteristics) such as: where you customers live, their age, their level of education, common behavior patterns, how they spend their free time, where they work, what technology they use, how much they earn, where they're commonly employed, their values, beliefs, or opinions etc. This information varies based on what you're offering, however you should be specific enough that it's unquestionably clear who you're trying to reach—and more importantly, why you've made the choices you have based on who your customers are and what they value.

6. ***Marketing plan and strategy.***

In this section of your business plan, you can address how you will persuade customers to buy your products or services, or how you will develop customer loyalty that will lead to repeat business. In other word this section will present how a sale will actually happen. The section also explains your advertising and marketing campaign plans and the types of media those campaigns will use. Your marketing strategy should be updated and changed to meet your unique needs.

The marketing strategy/plan will include four key elements:[7]

- Price (How much do your products cost, and why have you made that decision?)
- Product (What are you selling and how do you differentiate it in the market?)
- Promotion (How will you get your products in front of your ideal customer?)
- Place (Where will you sell your products?)

7. ***Financial plan***

This section will present business's financial planning and projections (e.g., financial statements, balance sheets, targets and estimates for the first few years plus a description of potential investors etc.). The major elements in your financial plan are income statement, a balance sheet, and a cash-flow statement. In this section it is preferable to use graphs and charts to tell the financial story of your business.

[7] https://www.shopify.com/blog/business-plan

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Lean startup business plan

It is a one-page plan which highlights key elements when you want to explain or start your business quickly, your business is relatively simple, or you plan to regularly change and refine your business plan.[8] It could be a chart with a handful of elements to describe your company's value proposition, infrastructure, customers, and finances. There are different ways to develop a lean startup template. Lean Canvas is an adaptation by Ash Maurya of Alexander Osterwalder's widely used business model canvas. Both are templates for the strategic management of a business's important information. However, Business model canvas is for all new and existing businesses, while Lean Canvas is created specifically for lean startup entrepreneur's use. Thus, here we present the Business model canvas which is for new and existing businesses.[9]

The nine components of a business model are[10]

1. Key partnerships
2. Key activities
3. Key resources
4. Value proposition
5. Customer relationships
6. Customer segments
7. Channels
8. Cost structure.
9. Revenue streams

[8] https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan
[9] https://startupsavant.com/lean-startup-business-plan-guide#:~:text=What%20Is%20a%20Lean%20Startup,identifying%20a%20problem%20and%20solution.
[10] https://economyaat.net/en/model/canvas-economyaat
https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan

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Table (2): Business model canvas

<table>
<tr><td rowspan="2">Key partnerships</td><td>Key activities</td><td rowspan="2">Value proposition</td><td>Customer relationships</td><td rowspan="2">Customer segments</td></tr>
<tr><td>Key resources</td><td>Channels</td></tr>
<tr><td colspan="3">Cost structure</td><td colspan="2">Revenue streams</td></tr>
</table>

1. ***Key partnerships***

Key partners include suppliers, manufacturers, subcontractors, and similar strategic partners. They will be part of all businesses or services you'll work with to run your own business.

A few things to consider about the key partners:

- What are your key partners to get competitive advantage?

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- Identify your company key partners, this can be suppliers in your supply chain.
- What key resources dose your company receive from those partners?
- What key activities are performed by these partners?
- Think about why your company works with them key partners and the motivations behind that.

2. ***Key activities***

Key activities are the list of the ways that your business will gain a competitive advantage. They could be things like selling direct to consumers or using technology to tap into the sharing economy.

A few things to consider about the key activities:

- What are the key steps to move ahead to your customers?
- What specific key activities are necessary to deliver your value propositions?
- What activities set your company apart from others?
- Consider how your company's unique differences in its revenue streams, distribution channels, or customer relationships.
- Do you need to procure specific niche resources?
- Do you need to streamline to keep costs and prices low?

3. ***Key resources***

Key resources are any resources you'll leverage to create value for your customer. They could be Your most important assets (e.g., staff, capital, or intellectual property)

A few things to consider about the key resources:

- What resources do you need to make your idea work?
- What specific key resources or assets are necessary to deliver your value proposition?
- Consider what resources your distribution channels and revenue streams may require to

function.

- Additionally, think about what resources are needed to maintain customer relationships.
- Does your company require a lot of capital or human resources?

4. ***Value proposition***

Here your present the unique value your company brings to the market.

A few things to consider about the value proposition:

- How will you make your customers life happier?
- Identify the core value the company provides to customers.
- What exactly is the company trying to give to customers?
- What problem is your company trying to solve and what needs are your company satisfying?
- How do you offer something different that satisfies the demands of your customer segment (e.g., price, quality, design, status)?

5. ***Customer relationships***

In the customer relationship's part, you will describe how customers will interact with your business (e.g. automated or personal, in person or online). Think through the customer experience from start to finish.

A few things to consider about the customer relationships:

- How often will you interact with your costumers?
- What type of relationships do you have with your customers?
- How do you interact with customers and how does this differ amongst customer segments?
- Do you communicate frequently with your customers?
- How much support does your company provide?

PLOUTOS

6. ***Customer segments***

Here it is very important to identify whom your business will serve.

A few things to consider about the customer segments

- Who are your customers? Describe your target audience in a couple of words.
- Identify who is your value proposition targets.
- Who are you creating value for?
- Who are your most important customers? What are they like? What do they need? What do they enjoy?
- What is the customer market like?
- Are you targeting a small niche community or a mass market?

7. ***Channels***

Channels are the most important ways you use to communicate with your customers. They could be a mix of channels and they could be optimized over time.

A few things to consider about the channels

- How are you going to reach your customers?
- How do you deliver your value proposition?
- How do you reach your customer segments?
- What channels are used?
- Consider your supply, distribution, marketing and communication channels.
- Are they well-integrated and cost efficient? Are they utilized effectively?

8. ***Cost structure***

In this part you will define your strategy, then list the most significant costs you'll face pursuing it. You should work to reducing cost or maximizing value.

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A few things to consider about the cost structure

- How much are you planning to spend on the product development and marketing for a certain period?
- Identify the key costs in your company's business model.
- What are the major drivers of costs?
- How do your key activities and key resources contribute to the cost structure?
- How do your costs relate to your revenue streams?
- Are you properly utilizing economies of scale?
- What proportion of costs are fixed and variable?
- Is your company focused on cost optimization or value?

9. ***Revenue streams***

In this part you will explain how your company will actually make money (e.g. direct sales, memberships fees, and selling advertising space). If your company has multiple revenue streams, list them all.

A few things to consider about the revenue streams

- How much are you planning to earn in a certain period?
- Compare your cost and revenue.
- Identify the ways your value proposition generates money for your business.
- Does your company have multiple methods of generating revenue?
- What is the pricing strategy for the products offered by your company?
- Through what channels do your customers pay?
- Does your company offer multiple forms of payment?

Activities/ Exercises in class	**In-class exercises** • Students will practice the elevator pitch in groups. • Students will fil in the SWOT templet individually. • Students will watch a video about business plan

	https://www.youtube.com/watch?time_continue=105&v=lZi4A9pyJb4&feature=emb_logo https://www.youtube.com/watch?v=lZi4A9pyJb4 • Students will practice the business model canvas and present their business ideas in groups.
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

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Module 9 – How to Request a Microloan and Funds	
Main objectives	• To learn where you can get a microloan • To understand how to get a microloan
Learning outcomes	• Participants will understand how to get formal credit and non-financial support • Participants will understand the importance of making loan and credit payments on time
Description of the training content & material	Four principal subjects will be discussed during the module: ✓ Microcredit products ✓ The processes to obtain a microcredit ✓ The documents needed ✓ The non-financial services that complement the microcredit
Duration	2 hours

How to request a microloan and funds

Where you can get a Loan

- **Banks:** You can visit your bank's website or go to a branch to learn more about the types of loans offered. Some banks may also let you apply online or by using your phone.
- **Microfinance Institutions (MFIs):** MFIs offer microcredit and also provide non-financial services like individual counselling, training, and support for micro-enterprises.
- **Credit Unions:** A credit union is a type of financial institution that is owned by the people who use the products and services. Credit union members can access many services like loans and deposit accounts.
- **Non-Banking Financial Companies (NBFCs):** NBFCs are financial institutions that do not have a full banking license or are not regulated, but can still provide some financial services, like loan disbursement.

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What is a Microfinance Loan or microloan?

The term "microfinance loan" refers to the short-term loans of smaller amounts that are usually availed by self-employed individuals, start-ups, micro-enterprises, and small businesses with low capital requirements. Low-income group families and micro-entrepreneurs, who have little to no access to financial support, are the beneficiaries of microloans.

What is the main types microloan?

Business loans for micro-enterprises and personal loans are the two most popular products:

- **Business loans**: Business loans are typically given to start or grow small businesses or micro-enterprises.
- **Personal loans**: Microcredit for personal consumption purpose is a loan under EUR 25,000 for covering a client's personal consumption, such as rent, personal emergencies, education, and other personal consumption needs (e.g. white goods).

What are the key features of a business microloan?

Some of the key features include:

- The average duration of microfinance loans is usually from 38 months and the average interest rate is 11.3%
- Loans are repaid in a monthly basis
- Client development services, Entrepreneurship development services and Business development services are non-financial services offered

How to apply for a loan

Getting a loan will differ from lender to lender, but typically it includes submitting a range of personal details and completing a standard application form. Your credit score and current financial situation is then used to determine your eligibility for a loan.

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Process

Before you apply for your loan, it's worth doing a little research into the specifics to decide which type of loan will best suit your financial situation and whether you can afford to borrow without putting yourself in financial difficulty:

Consider the repayments - Think about whether you'll be able to afford the repayments on a loan, should you be approved. This online loan calculator tool will give you an idea of the amount you'll likely be paying back for a microloan at a Belgian microcredit institution.

Have your financial information ready - Lenders will request a variety of personal documentation and information as part of your loan application, ranging from your address history to your current employment. Making sure you have all of this to hand when you are looking to apply can help speed up the process.

There are several stages involved in processing a loan:

Step 1: gathering and submitting application & required documentations

The first step in obtaining any loan is to complete an application and submit the required documents. Required documents will vary based on the type of loan, size and complexity of the operation requesting the loan. Typically, the smaller the loan, the fewer documents are required. Once the application and required documents are received by the lender, the loan moves on to the next step in the process: loan underwriting.

Step 2: loan underwriting

When a loan moves into underwriting, the analyst assigned to work on the request will typically evaluate the loan utilizing some form of the Five C's of Credit: Character, capital, capacity, collateral and conditions. Items that will be considered when doing this evaluation will include credit scores, repayment history (both direct and with other lenders), cash reserves available, cash flow / earnings from employment or business operation, amount of personal down payment being offered, overall economic conditions, specific industry conditions and the collateral being offered. The time in loan underwriting will vary based on the complexity of the request; that is, the more parties or entities involved the longer it takes to assemble the information to decide.

Step 3: decision & pre-closing

Once a decision is made on the loan request, a response is provided to the applicants as quickly as possible. If the loan was approved, the terms and conditions of the approval are also communicated to the applicant at this point. If the terms and conditions are acceptable to both the applicant and the lender, the next step is to redact a loan contract and any other required items. Once those items are received, they are reviewed to ensure that they meet the requirements of the loan approval. If everything is in order, then closing is scheduled.

Step 4: closing

At closing, the required loan contract as well as any transaction specific documents are signed, and funds are disbursed in accordance with the approval. Typically, copies of all the documents signed will be provided to both the lender and the applicant.

Step 5: post-closing

Finally, the loan transaction is typically wrapped up and welcome information will be sent. This message will include information about the institution, how to access your account and when and where to make payments.

Practical example of financing and non-financial support at a microfinance institution in Belgium: the case of microStart

As a leading microfinance institution in Belgium, microStart provides advice and grants microcredits to (starting) entrepreneurs who do not have access to financing from the conventional banking sector. Created in 2011, microStart is an initiative of Adie, a pioneer in European microfinance, BNP Paribas Fortis and the European Investment Fund.

A) Products: business microloans

A credit to launch or expand your business:

Product	JUMP	BOOST
Aim	Start a business	Expand a business
Maximum threshold	€ 15 000	€ 25 000
Duration	48	60
Interest rate	11.9	10.9
Other costs	5%	5%

B) Non-financial support

MicroStart offers microentrepreneurs downstream support to prepare and upstream support to launch and develop.

Indeed, in addition to their microcredits, microStart offers business development services. They offer group sessions as well as individual coaching to ensure the proper preparation of your activity.

If you have benefited from a microStart microcredit, you can have free access to support services in implementing your new ideas as well as possible: personalized coaching, commercial or marketing advice, legal and accounting advice, etc.

C) The conditions to access a microloan

Who can benefit from a microStart credit?

- Domiciliation in Belgium
- Not in collective debt settlement
- Accepted past bankruptcy
- Negative file at the National Bank of Belgium not excluded

Financial conditions

- Generate income in Belgium
- No requirement of personal contribution
- No guarantee on the financed equipment

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- Global financing plan less than 100.000€.
- Co-financing possible: with a bank, with a microcredit institution, with a crowdfunding platform, etc.

The purpose of microcredit

- The purchase of stock, machinery, vehicles, or other equipment
- Working capital requirements and to support rental costs for the first few months
- Financing the administration costs associated with starting a business
- Meeting cash flow requirements
- Carrying out market research: test a business idea

The guarantor for your loan

MicroStart always ask you to have someone who is responsible for 50% of the loan amount.

The guarantor can be for example a family member or someone close.

If you can't find anyone to vouch for you, they can offer you an alternative option that is prior savings. In some cases, microStart allow a deposit equivalent to 25% of the loan amount. This amount, of which you must justify the origins, will remain blocked for the entire duration of the loan in a guaranteed savings account opened with BPost. You will recover this amount once the entire loan has been repaid.

D) The documents required to request a loan

The following documents are required while applying for a loan in microStart:

From borrowers:

- (Copy of) Identity card
- Bank card
- The document from the National Bank's Central Individual Credit Register or the PIN code of the identity card
- Personal and professional bank statements for the last 3 months

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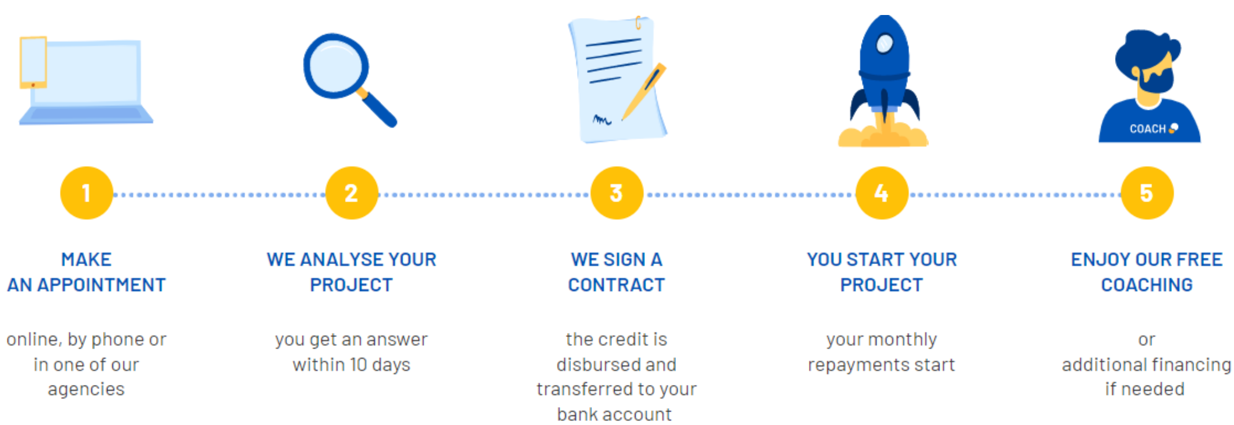
- Proof of income (depending on your situation: certificate of unemployment, warning from the roll, pay slips)
- Proof of domiciliation (invoice, an extract of the identity card)

From your guarantor:

- (Copy of) identity card
- Bank card
- The document from the National Bank's Central Individual Credit Register OR the PIN code of the identity card
- Proof of income (depending on your situation: certificate of unemployment, warning from the roll, pay slips)
- Proof of domiciliation (invoice, an extract of the identity card)

The credit application process:



1) Make an appointement

The objective of the meeting with your microStart advisor is to get to know you and your project:

- Your background
- Your project
- Your financing needs
- Your personal budget

- Your banking situation
- Your guarantor

Based on these criteria, your advisor will make you a financing proposal.

To properly prepare your application

Bring the requested documents: identity card, bank statements (business and personal) for the last 3 months, proof of income (depending on your situation), proof of direct debit

Analyze your project/activity:

- What are the charges/expenses of the activity?
- What is the expected turnover or income?
- What is the exact start-up or investment needs?

Consider a guarantor:

Take the step to start looking after a guarantor.

2) We analyse your project

The committee will evaluate/analyze your application based on the following criteria:

- Your experience in the field / as a self-employed person
- The feasibility of your business plan
- Your environment and network
- Your relationship to money and your possible debts
- Your attitude

The credit committees are held weekly. It is the committee members who decide whether to grant the credit.

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3) We sign a contract

If the decision is favorable, a contract will be signed by you and your guarantor.

4)You start your project

The monthly repayments start.

The microStart advisor regularly checks up on news about you and your business.

If you are unable to repay the monthly installments, it is important that you contact your advisor as soon as possible to notify him/her. In this way, together we can find an appropriate solution to avoid letting the situation deteriorate and to avoid taking additional steps in the recovery procedure.

5) Enjoy our free coaching

At any time, you can benefit from personalized advice adapted to your needs and questions.

Activities/ Exercises in class	In-class exercise: Participants visit the online simulator and try performing different actions.
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

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Module 10 – How to Open an Account	
Main objectives	Increase abilities and knowledge of participants Increase business awareness of participants and reduce general risks Help to engage more with the community Provide leadership opportunities
Learning outcomes	Learn about the advantages of business bank account Understand the process of opening a business bank account Feel secure enough to open an account
Description of the training content & material	The purpose of this course is to improve TCN's ability and knowledge in the field of economics and finance, as already stated above (objectives). This course is connected to the Course about Loans and therefore held in rapid succession. Our further aim is to prepare TCNs for their potential integration into the business community of their host country, giving them access to a broad range of knowledge. This course is, therefore, a necessary step toward their full integration into the host country's economic life. Materials/tools needed • PC • Projector • Internet
Duration	2 hours

Icebreaker- Game

"Two Truths and a Lie"
Each participant says three things about themselves — two truthful things and one lie. The other participants can guess which one is the lie and give a reason why they think so.

Introduction of topic

A business bank account (commercial account) is a financial account opened in the name of a business, rather than an individual. These types of accounts are separate from personal accounts and used to manage the financial transactions of a company as it simplifies tracking expenses and eases the cash flow management or the calculation of tax liabilities.

Video: https://youtu.be/OvNlj2tV4yk

Reasons for opening a business bank account

Having a business bank account is important for several reasons. It can, first of all, help you to maintain clear records of a company's financial transactions and additionally make tax preparation and auditing easier. It is important to maintain complete and accurate records and conduct your business in a business-like manner in order for tax authorities to assess your tax status. One way to do this, of course, is to keep all business income and expenses separate by having a business bank account. Keeping a business bank account can also improve a business's credibility and professionalism as personal and business finances are separated. Business bank accounts usually offer more sophisticated services, like online banking, check writing, and debit card options that can be beneficial for businesses.

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Benefits of a business bank account

Most business bank accounts offer benefits that don't come with a standard personal bank account:

Protection. Commercial-account-offers contain limited personal liability and more protection for the account owner as business and personal funds are kept separate.

Professionalism. Customer's payment can be made directly to the business.

Preparedness. Business banking usually comes with the option for a line of credit for the company.

Purchasing power. Credit card accounts can help business make large startup purchases and help establish a credit history for the business.

[…]

Types of business bank accounts

There are several types of business bank accounts that a company can choose from, each with its own set of features and benefits. Some of the most common types are:

Checking account: This is the most basic type of business bank account. It's mainly used for day-to-day transactions such as paying bills and receiving payments from customers.

Savings account: A savings account is designed to help businesses save money. It typically offers a higher interest rate than a checking account and can be used for short-term or long-term savings goals.

Merchant services account: This type of account is used by businesses that accept credit and debit card payments. It allows them to process and accept electronic payments from customers.

Money market account: A money market account is a type of savings account that typically offers a higher interest rate than a traditional savings account. It can be used for short-term investments and typically requires a higher minimum balance.

According to the Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features Text with EEA relevance, people who are legally resident in an

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EU country are entitled to open a basic payment account. A "basic payment account" is an account that covers standard transactions, such as making deposits, withdrawing cash and receiving and carrying out payments (for example direct debits and card purchases).

Requirements for opening a business bank account

Despite the fact that most European banks are open to foreign businesses, many of them have restrictions on foreign businesses or are opposed to them. For example, it is common for banks to require evidence of sufficient ties to a country before opening an account. Since there are over 47 countries in Europe, narrowing down the banking process to just one is quite difficult. Procedures depend on the chosen country and the chosen bank.

In general, it is most likely that the following documents will be needed:

- **Passport or national ID**
- **Proof of residence - address in a European country (utility bill, rental contract)**
- **additional information like income statements or tax number**
- **company certificate and other incorporation documents**
- […]

Various banks and countries have different processes for opening a business bank account, so it's best to contact potential banks directly to find out what they require.

General steps to opening a business bank account

Steps to opening a business bank account (simplified procedure):

Choose a bank: Research different banks and compare their fees, services, and reputation to find the one that fits the needs.

Gather the required documents: Each bank has its own requirements, but the need of providing identity, address and business ownership is more likely to be demanded by each bank.

Schedule an appointment: Most banks will require a personal visit.

Prepare for the appointment: Bring all the required documents when keeping the appointment.

Open the account: Filling out an application form and provide the required documents. The bank may also ask one to provide additional information about the business.

Wait for approval: The bank will review the application and decide whether to approve or deny the request. If the application is approved, one will receive account details and documentation.

For assistance with the opening process and additional advice, it is best to speak with a bank representative. In order to provide a better overview of the topic we gathered information from 5 countries and stated their (exemplary) requirements.

Opening accounts in Croatia/Sweden/Greece/Italy/Cyprus/Bulgaria/Belgium

Croatia

In order to register a company in Croatia, foreign and local investors must open a bank account to for example deposit the minimum share capital. Moreover, there is a distinction between a resident account and a non-resident account stipulated by the Croatian foreign exchange operations law.[1] A resident account can be opened by a legal entity based on the territory of Croatia.

The following Types of accounts can be opened:

- account for regular business
- account for performing money transactions of accounts exempt from foreclosure
- account for special purposes

A nonresident account needs to be opened by legal entities based abroad, traders and other natural persons with headquarters or residence in foreign countries.

[1] Law on foreign exchange operations; https://www.zakon.hr/z/77/Zakon-o-deviznom-poslovanju

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Types of non-resident accounts:

- Account for a foreign legal entity (non-resident)
- Account for a subsidiary of a foreign legal entity (non-resident) in Croatia

When opening a business bank account in Croatia one will probably need the following documents (however once again required documentation will vary from bank to bank):

- document concerning the establishment
- a certified copy of the trade certificate or privilege or a copy of the original trade certificate
- Partnership Agreement (only in case of multiple owners)
- Copies of identification documents of persons authorized for representation/owners and persons authorized to dispose of funds on the transaction account
- Certificate of personal identification number (OIB) if it is not specified on the Decision
- Ownership structure / Attachment to the declaration of the beneficial owner (only for complex ownership structure)

More and detailed information will be provided by banks directly.

Sweden

The four main banks in Sweden are Handelsbanken, Swedbank, Nordea and SEB. Information on “how to open a business bank account” will be provided by one those banks directly. One will however always need general documentation as mentioned above.

Further information cannot be found on the internet.

Greece

No information on opening a business bank account was found on the internet. For a business bank account, the following documents are required if the process is similar to that for a personal one.

- Copy of your passport
- Proof of address [bank usually asks for utility bills]
- Tax returns from your previous country residence

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For additional information, please contact Greek banks.

Italy

One of the most important steps is the corporate bank account opening, as all Italian companies must open such an account. The documents to be filed upon the opening of a **company bank account** in Italy are:

- the passport of the company director
- the proof of address of the director
- the tax identification number
- the company's certificate of registration
- the certificate of good standing of the company
- the statements related to the good financial status of company shareholders owning more than 20% of the shares in the company

For additional information please contact local banks.

Cyprus

Bank accounts in Cyprus offer many benefits and advantages to business owners. If you are looking for a bank account that offers access to the European market, Cyprus is a great option for you. Cyprus is one of the smallest yet most popular countries in the world for business bank accounts. In order to open an account in Cyprus, you don't need to have a residency - all you will be asked for is a set of documents, including Passport or a valid identity card and a reference from the bank in your home country.

As Cyprus is also a member of the European Union, entrepreneurs, freelancers and companies in Cyprus have many of the same benefits and protections as bank accounts in other countries in the bloc. In addition, bank accounts in Cyprus are also subject to the same low corporate tax rates that are available in the country. Combined, these factors make bank accounts in Cyprus an attractive proposition for business owners looking to reduce their overall tax burden.

Once you have chosen a bank, the next step is to gather the required documents. The documents that you will need may vary depending on the bank that you choose.

However, some of the common documents that are required for bank account opening in Cyprus are listed below:

- A copy of your passport or ID
- A utility bill or bank statement to prove your address
- Proof of income (such as a payslip or tax return)
- A business plan or company registration documents
- A letter that states your good credit

While the process of bank account opening in Cyprus is not complicated, it can still be time-consuming. There are certain stringent rules of traditional banks that can often make the process more difficult. In such cases, there are various options available for you that can make bank account opening much easier. Recommendation: contact bank in Cyprus directly.

Bulgaria

All companies wanting to implement their activities in Bulgaria will need to open a bank account and pay attention to the requirements in this sector. A bank account is connected to the company in Bulgaria and to all the financial transactions in the firm. This is an obligation when it comes to registering a company in Bulgaria and one of the requirements a local or a foreign investor needs to consider. In most cases, a provisory bank account is established for a company in Bulgaria, especially for drafting the minimum share capital when the business is registered in Bulgaria. Once the company has the certificate of incorporation, it is registered for tax purposes and social contributions, the provisory bank account can turn into a permanent one for the business.

Banks in Bulgaria may request different documents in order to open a bank account, but the following papers are mandatory:

- the shareholders must provide copies of the identification cards
- the articles of association need to be provided
- the company's certificate of incorporation issued by the Trade Register in Bulgaria needs to be

presented • the bank forms need to be fulfilled • the specimen signatures of the company's executives need to be prepared Opening a bank account in Bulgaria may involve different fees, related to the administration of the account, withdrawals, and deposits. These taxes need to be paid when submitting the needed documents to open a bank account. ***<u>Belgium</u>*** You will receive information on "opening a business account" from the selected bank. No further information on this topic can be found online. **Recap-Questions** **Questions (Examples)** Why should you open a business bank account? What are the benefits of a business bank account? What is the basic business bank account called?	
Activities/ Exercises in class	Quiz
Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

PLOUTOS

Module 11 – (Online) Financial Fraud	
Main objectives	• To raise the consumers' knowledge of the good practices. • To reduce risks related to cyber attacks, online scams and frauds.
Learning outcomes	• Learn the main concepts related to financial online fraud. • Understand the tips and learn how to apply them in each situation.
Description of the training content & material	✓ Introduction to the theory, supported by examples and tips. ✓ Watch videos ("I Navigati" CERTFin awareness campaign – web serie on cybersecurity with english subtitles: https://www.youtube.com/watch?v=SL3BzK4cDZw&list=PL37_OtPM5N-Gy_HWpOKkLZ8jj2sViRKRn)
Duration	2 hours

Introduction

Most fraud mechanisms rely on the human factor as an element of vulnerability through which to collect information useful for carrying out malicious operations or intrusions into computer systems, exploiting increasingly advanced and sophisticated social engineering techniques.

For this reason, it is essential to implement awareness initiatives for customers, even more so in recent years when the difficulties induced by the pandemic and the increase in the use of digital channels have led to the need to further enhance customer support.

Scenario

Fraudsters employ various techniques that mistakenly trick account holders into deception. Considering the cases of fraud detected and examined in the CERTFin 2022 Report, indagating Bank security and cyber fraud in Italy, the first contact between the fraudster and the victim takes place mainly by telephone (voice channel). This technique is also known as **Vishing** and is used overall as an initial vector in 48.4% of detected frauds. In

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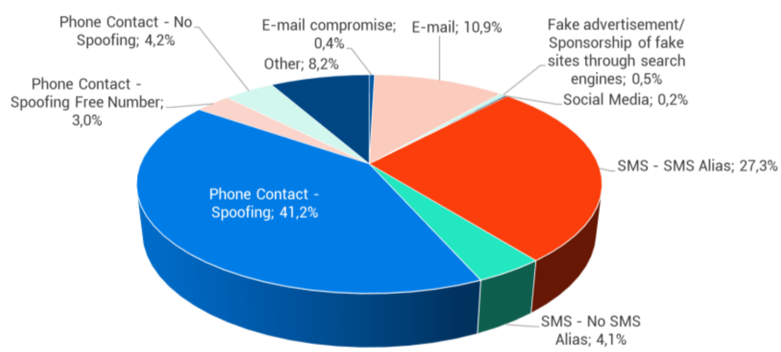
particular, in 41.2% of the identified cases, the fraudsters use the **Spoofing** technique, where the number originating a call is masked with a fictitious number.

Another initial route, as insidious as the telephone channel, is the contact via **text messages**. Overall, 31.4% of fraud starts with the victim receiving a text message. In particular, in 27.3% of the detected frauds, the fraudsters use illegitimate **Aliases** that evoke the name of the bank of the recipient of the text message. This technique is very effective, as the fraudulent text messages sent by fraudsters who exploit illegitimate Aliases are queued to the series of messages sent legitimately by the bank.
Additional initial channel for the implementation of fraud is the **e-mail**: 10.9% of frauds begin with the receipt of an e-mail apparently sent from the bank.

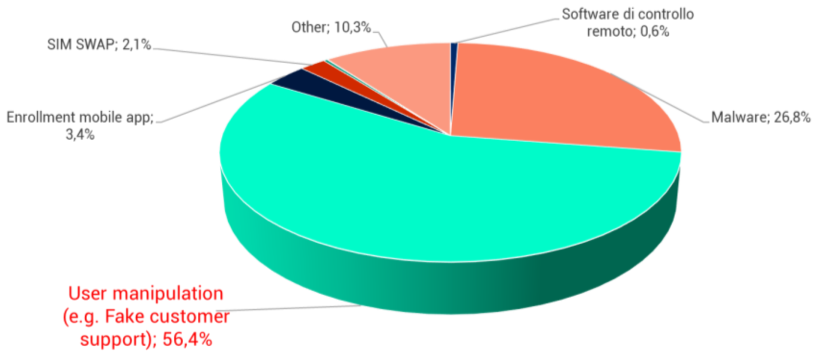
After a first contact with the victim, fraudsters can use various techniques to perform the fraud. An analysis of frauds perpetrated against Retail customers shows that the most common fraudulent scheme is user manipulation (56.4%), coloured in red in the second figure below.

Initial vector of the fraud



Source: CERTFin Report 2022 "Bank IT security and fraud", Retail sector

Techniques used to finalize the fraud



Source: CERTFin Report 2022 "Bank IT security and fraud"

ONLINE FRAUDS

1. GENERAL ADVISES

Protect your devices

Here are some **tips** that will help you keep your device safe from prying eyes:

- Protect the devices (computer, tablet or smartphone) that you use for online banking against viruses and spyware by installing and constantly updating suitable security software (anti-virus, anti-spyware, ...) and scan them regularly.
- Keep the operating system and applications on your device always updated by installing the protective "patches". Download only official updates.
- Protect incoming and outgoing traffic on your device by installing a suitable data stream filtering programme known as a firewall.
- While browsing the web, don't allow tasks to be performed remotely without your permission and only allow web programmes to be installed when you are sure of their origin.

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- Check the authenticity of the connection with your bank by carefully checking the website name on the navigation bar. You should double click on the padlock icon when visible in the browser window and check the authenticity of the data displayed.

To avoid errors

Here are some **simple safety rules** to help you avoid falling into the more common traps:

- Be wary of any request for information about payment cards, home banking access keys or other personal information. Your bank will never ask you for such information.
- If you want to connect to your bank's website, type the address directly into the navigation bar. Do not click on links in suspicious emails, as these may lead you to a fake website that looks much like the original.
- Check any movements in your current account periodically to make sure that you actually carried out all transactions shown there.
- Be wary of any message (from emails, websites, instant messaging contacts, chat rooms or peer-to-peer websites) that asks you to download programmes or documents whose origin you are unaware of.
- Be careful if you notice any differences compared to the usual way you are asked to enter personal data on your home banking website.
- The Internet is a bit like the real world: you wouldn't give your ATM PIN code to a stranger, so don't hand over your data without being sure of the identity of whoever is asking for it. If in doubt, contact your bank!

Home Banking

- Enter the bank website address directly in the navigation bar (http://www.banca...).
- Never click on a bank's website link appearing in emails or suspicious text messages.
- Enable text or other notifications of transactions from your account.

Payment cards

- If you lose your cards or they get stolen, block them immediately and notify the authorities.
- Make sure no one is watching you when you type in your PIN at the ATM.

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- If you notice an unauthorised payment, immediately contact your bank.

Mobile Banking

- Set your smartphone to auto-lock when it goes to standby.
- Turn off Wi-Fi, Bluetooth, and location tracking when you're offline.
- Use only official apps and if your smartphone gets stolen, block the mobile banking app.

E-commerce

- Use different credentials to login to various websites.
- Avoid making transactions from less secure locations.
- Always log out before you leave an e-commerce site.

Social media

- Don’t use the same password for social media websites and bank accounts.
- Set up your social media profile so as to get the desired level of privacy.
- Be careful about publishing photos, videos and posts with personal information.

Passwords

- Change your password regularly.
- Don’t write or tell others your password or access credentials for any services you use online.
- Avoid using auto-save for passwords and browser access credentials.
- Don’t use the same password for multiple websites.

2. FAKE WEBSITES

Does your bank ask you for data to be collected online? Don’t be taken in by these messages!

Signs

Fake bank websites look almost identical to banks’ official websites. These websites often have a pop-up window for entering login details, but banks’ official websites do not use pop-up windows. These websites usually have:

- **a poor design:** be careful of websites that are poorly designed or show spelling and grammar mistakes;
- **pop-up windows:** these are often used to collect sensitive information. Do not click on them or enter personal information.

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- **urgent messages:** you will not find urgent messages on your bank's actual website;

What should you do?

- Never click on links in emails that purportedly lead to the bank's website.
- Always connect manually or use an existing link from a bookmarked website
- Use a browser that allows you to block pop-up windows.
- If your bank really needs to bring something important to your attention, it will notify you when you access your Internet banking app.
- If you have any doubts, call your bank.

3. INVESTMENT SCAMS

Some opportunities are really very good – maybe too good to be true...

The most common **investment scams** may include profitable investment opportunities such as shares, bonds, cryptocurrencies, rare metals, property investments abroad or alternative energy.

Signs

- You repeatedly receive **unusual phone calls.**
- You are promised quick returns and are assured that the investment is safe.
- The offer is only available for a **limited time.**
- The offer is available **only to you** and you are asked not to share information about it.

What to do

- Always seek impartial financial advice before handing over money or making an online investment.
- Don't give consideration to phone calls promising investment opportunities.
- Be wary of offers that promise safe investments, guaranteed returns and great profits.
- Be careful of future scams. If you have already invested in an online scam, it's likely that scammers will try to hit you again, or sell your information to other criminals.
- Contact the police if you are suspicious.

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4. MALWARE

Programmes designed to harm users and their devices

How do they work?

Malware (a compound word derived from “malicious” and “software”) are programmes that are placed inside any kind of items (attachments, photos, videos, etc.) and are designed to harm users and their devices, gain unauthorised access and steal or damage data. They can be sent over the internet, by email or physically installed via USB sticks, memory cards and DVDs. However, they can also exploit websites that have been hacked, video game demos, music files, toolbars, software, free subscriptions, or any other material downloaded from the Internet on devices without antivirus protection.

Signs

- **Noticeably slow computer performance is often a sign of infection.**
- An infected device will frequently show pop-ups, receive spam messages and crash.

What can you do about a malware infection?

- Install a reliable antivirus programme on your devices and keep it constantly updated: antiviruses can detect threats and identify and block malware before they can do damage.
- Scan your devices regularly.
- Don’t open email attachments from unknown senders, because this is the most common way of transmitting viruses.
- Be careful with emails you receive from friends; their device may have been infected without their knowing.
- Be careful while browsing the Internet: viruses can also be released from infected web websites, so avoid high-risk websites and activities, such as pornography, illegal downloads, online gaming, etc.

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PLOUTOS

5. MONEY MULING

What if you were involved in an illegal deal without knowing it?

What is money muling

A money mule is a person who transfers illegally obtained money between different bank accounts, often in different countries, on behalf of others. Money mules are also recruited by criminals to receive money to their bank account, withdraw it and transfer it abroad, in exchange for a fee for the service. Although money mules are not actually involved in the crimes that unlawfully generate money (cybercrime, online payment and fraud, drugs, human trafficking, etc.), their actions are illegal because they launder the proceeds of crime, thus helping the criminals to recycle dirty money worldwide in complete anonymity. If you are found to be involved in money muling, even unintentionally, you can be punished with imprisonment, a fine or community service, and you may never get to have a mortgage or a bank account.

How are money mules recruited?

As new technologies and trends emerge, organised crime groups develop new ways to defraud people:

- seemingly legal job ads (e.g. for “money transfer agents”)
- seemingly legitimate messages online
- direct contact in person or by e-mail
- social media (e.g. posts on closed Facebook groups)
- messages sent by instant messaging apps (e.g. Whatsapp, Viber)

Which people are most targeted by money muling?

- People just arriving in a new country (often targeted soon after their arrival), the unemployed, students and people with financial problems may be more vulnerable to criminal activity.
- Men are more likely than women to become mules, especially if they are aged between 18 and 34, whereas people over the age of 55 are less likely to be involved in such activities.

What are the signs?

The following factors are not necessarily evidence of money mule recruitment, but they are very common signs:

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PLOUTOS

- Money muling ads or announcements may replicate an existing company's website and have a similar web address to give the scam more credibility.
- When an email is used, the text is often very brief and there are grammar and spelling mistakes. The email address associated with the offer uses a web domain (Gmail, Yahoo, Libero, Hotmail, etc.) instead of a company domain.
- The ads usually say that a foreign company is seeking "local and national representatives" or "agents" who will act on their behalf for a certain period, sometimes to avoid high transaction costs or local taxes.
- The job offer requires the transfer of money or property.
- The specific duties involved are not described.
- The job offer does not list educational or experience requirements.
- All interactions and transactions will be online. The job offer promises potentially significant earnings for a small commitment.

How can you protect yourself from money muling?

- If an opportunity sounds too good to be true, it probably is!
- Be especially wary of unsolicited emails or social media contacts that promise you easy earnings.
- Check the contact details (address, telephone number, email address and website) of the company and find out if it is registered in your country.
- Beware of job offers from people or companies abroad, because it is more difficult for you to find information on their legal status.
- Don't disclose your bank account details or other personal information to anyone except people you know and trust.
- Look out for the warning signs mentioned above and do some research before accepting any proposal.

What should you do?

- If you have received an email like this, do not respond and do not click on links in the message. Inform the police immediately.
- If after reading this guide you think you have been involved in money muling, immediately stop any money transfer and notify the authorities and your bank or the service used to make the transaction.

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6. ONLINE PURCHASE SCAMS

Online purchases often offer good deals, but you have to be careful of scams!

What should you do?

Online purchases often offer good deals, but you have to be careful be of scams.

- When possible, use domestic e-commerce websites – it will be much easier to solve any problems.
- Do some research on the seller – check their reviews before buying.
- Use your credit card – you have more chance of getting your money back.
- Pay only through secure payment services – do they ask for a money transfer service or a bank transfer? Thing twice before acting!
- Only use a secure Internet connection when you make payments – avoid using free, open or public WiFi networks.
- Always be careful about the security of your online purchases: pay only through a secure device and keep your operating system and security software updated. Beware of ads for unlikely bargains or miracle products – if it sounds too good to be true, it probably is!
- Did a pop-up window open up saying that you've won a prize? Think twice – the only thing you might be winning is some malware!

7. PERSONAL DATA THEFT

Are your social media profiles safe enough? Don't be a victim of online identity theft!

Your personal information is invaluable to criminals. Protect yourself from scams by keeping your personal information safe.

How does it work?

Even if your social media accounts are configured as "private" and are well protected, or if you are careful and don't share a lot of information (photos, videos, status updates, etc.), scammers will use various techniques to trick you into handing over personal information (name, email, password, credit card number, etc.), which can then be used to steal your identity.

Your personal information can help scammers to:

- make unauthorised purchases with your credit card or set up new bank accounts or telephone contracts;

- take out loans;
- sell your personal information to other scammers;
- engage in illegal activities while using your name.

Cyber attacks and the various methods of personal information theft

Many attacks follow a similar pattern. Here are some of the most common ones:

- Twishing (a combination of the words Twitter and phishing) requires sending a message to a Twitter user and directing them to another website. If the user visits the fake website, the attacker obtains their account information (ID and password).
- “Who has viewed your social media profile or page?” This service asks for access to your profile and leads you to a fake survey, where it prompts you to share your personal information. The scammer earns a commission each time someone takes part in the survey. You will never find out who has viewed your profile.
- “Are you in this video?” When you click on the video an opinion survey is launched, allowing the scammer to make money. You could also end up infecting your device with malware.
- “Your account has been cancelled”, “Please confirm your email account”. These scams are designed to get you to disclose your private information and account credentials.
- Fake vouchers and offers from famous luxury brands and sites. These scams trick you into revealing personal information or signing up for expensive services. They are a bit different each month and always look too good to be true: the service or product you have requested will never arrive.
- “A miracle product – Free trial!” This scam uses free trial offers and fake surveys to trick you into paying for products and subscriptions that you have unwittingly signed up for (e.g. recurring shipping costs).
- “Earn loads of money while working from home”. Any job that requires a start-up payment is most probably fraudulent. These job ads can be found on social media and involve the purchase of a kit that will help you earn thousands of euro. You might be asked to provide lots of personal details, including the tax code and copies of your passport or driving license. Some job offers may be a cover for illegal money laundering activities: they ask you to receive a payment to your bank account and then transfer it to a foreign company, in exchange for a fee. So you become a “money mule” for criminals – but money laundering is a crime.

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- "Help, I'm in trouble!" A scammer pretends to be a relative in urgent need of money and sends you a message on social media. The person appears to be in distress and asks you to send money. Telephone, email and text messages can also be used as contact channels.

What to do

- If you want to check the information on a social media profile, go directly to the website – don't rely on a third-party link to reach it.
- Be careful about the personal information and images you share on social media: fraudsters can use them to create a false identity or try to scam you.
- Check the privacy and security settings of your social media accounts. Take the time to figure out exactly what your profile shows about you to the general public.
- Do some online searches. Search the product name or job offer that you are interested in to see what other people say. You can also use keywords such as "review", "complaint" or "scam".
- Report any possible scammer profiles to the social media platform. If the scammers follow you or are in your contacts, be sure to block them and stop any interaction.

Check your credit and debit cards frequently. If you've been charged for something you haven't ordered, contact your bank or card provider.

8. PHISHING

Phishing refers to fraudulent emails that try to trick recipients into sharing their personal, financial or security information.

Signs

- Scammers use fraudulent emails to try and deceive you.
- The email may look identical to the kind of communications that banks send.
- They ask you to download an attached document or click on a link.
- They convincingly replicate the logos, layout and tone of actual emails.
- They use language that conveys a sense of urgency.

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- Cybercriminals rely on the fact that people are often busy and, at first glance, these fake emails appear to be genuine. As a result, recipients take the email content seriously and act accordingly.

How to avoid phishing attacks

- Keep your software updated – this includes browsers, antivirus and your computer's operating system.
- Be especially careful if the email you received asks for sensitive information (e.g. the password of your online account). Your bank only communicates in a secure mode, in the reserved area of your home banking app.
- Read the email carefully: look for inconsistencies and anything that just doesn't add up.
- Look out for small differences in the sender's address: a zero might look like an "o".
- Hover the mouse over the sender's address and examine it carefully; if you can, compare it with previous messages you have received from your bank.
- Check for spelling and grammar mistakes.
- Do not respond to suspicious emails; instead, forward them to your bank, typing in the correct e-mail address yourself.
- Do not click on links and/or download the attachment, but instead type the address into your browser.
- Be careful when using a mobile device. It might be more difficult to spot a phishing attempt from your smartphone or tablet. You can't "hover" over a suspicious link and the smaller screen makes it difficult to detect errors. If it is a fraudulent email, report it to your bank. If in doubt, contact your bank.

Cybercriminals rely on the fact that people are busy; at first glance, these fake emails appear to be genuine! Be careful when using a mobile device. It might be more difficult to spot a phishing attempt from your phone or tablet!

9. ROMANCE SCAMS

Learn how to protect yourself from people who pretend to be interested in a romantic relationship

Signs

In romance scams, the attacker targets victims on online dating websites, but they may also make contact via

PLOUTOS

social media or email.

Someone you've recently met online claims to have strong feelings for you and asks to chat privately with you.

Their messages are often vague and badly written.

Their online profile is not consistent with what they've told you.

They may ask you to send personal photos or videos.

They will work patiently to gain your trust, sometimes for weeks or even months. They will then tell you a complicated story and ask you for money, gifts or details of your bank account or credit card.

After gaining your trust, they will ask you for money, gifts, or your credit card details.

They always have a reason to explain why their webcam doesn't work, why they can't travel to meet you or why they need more money.

If you don't send money, they may try to blackmail you. If you do send money, they will ask you for more.

What should you do?

- Be careful about the personal information you share on social media and dating websites.
- Always consider the risks: there are scammers even on the most reliable websites.
- Take your time and ask questions.
- Use online search engines to check whether the photos and profiles of people you chat with have already been used elsewhere.
- Watch out for spelling and grammar mistakes, inconsistencies in their stories and excuses (like the webcam that never works!).
- Don't share personal photos, videos or compromising materials: scammers could use them later to blackmail you.
- If you agree to a meeting in person, tell your family and friends where are you going.
- Beware of any requests for money. Never send money and don't give credit card or online account details or provide copies of personal documents.
- Avoid agreeing to a stranger's requests for payment by money order, wire transfer, international funds transfer, debit card or cryptocurrencies. It's very difficult to recover money after sending payments with these methods!
- Don't transfer money on someone else's behalf: money laundering is a criminal offence.

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Have you fallen victim to a romance scam?

- don’t be ashamed – this scam happens more often than you’d think;
- break off all contact at once;
- if possible, save all communications (such as chat messages) and any evidence that may help identify the scammer;
- file a police report;
- inform the website that the scammer used to contact you for the first time. Give them the name of the scammer profile and any additional details that can help them to prevent others from being cheated;
- contact your bank immediately if you have given your online account details to a scammer.

10. SMISHING

Smishing (a combination of the words SMS and phishing) describes fraudsters’ attempts to obtain personal, financial or security information via SMS texts. They claim to be a legitimate source, such as a bank, financial institute or service provider.

Signs

Scammers use fraudulent emails to try and deceive you:

This kind of message asks you (usually with a sense of urgency) to click on a link to a website or call a phone number to verify, update or reactivate your account. The link leads to a fake website and phone number, and the call is answered by a scammer who pretends to work for an existing company. The aim is to trick you into revealing information that can help scammers to steal your money.

How to avoid falling victim to smishing

- Don’t click on links, attachments or images you have received via text messages without checking the sender’s identity. You can do this by searching the number online (if it is a scam, you might not be the first victim!) or comparing it with the official number of the sender from whom you have seemingly received the text message.
- Don’t rush it. Take your time and make the necessary checks.
- Never respond to a text message that asks for your PIN, online account password or other security

credentials.

•	If you think you have answered a smishing message and have supplied your bank information, contact your bank immediately.

11. SIM SWAP

You can do everything with a smartphone nowadays...

But are you sure you have yours under control?

Scammers convince the victim's mobile network provider to move his or her number to a new SIM card controlled by them. Then, they intercept the text messages sent by the victim's bank on the new SIM card and use them to operate his or her bank account.

How does it work?

The SIM swap is a type of IT fraud that requires a few different steps:

•	Once the victim has been selected, the scammers set about acquiring his or her data and home banking credentials via hacking or social engineering;

•	The next step, backed up with carefully falsified documents, is to have the victim's SIM card replaced. They ask the network provider for a new SIM card claiming that the old one has been lost or damaged;

•	Using the same phone number, they obtain authorisation from the victim's bank to operate the bank account online.

Signs

It is difficult to detect SIM swap frauds before they actually happen: most victims realise they have been hacked when they try to make a call or send a message (but the hackers have already deactivated the SIM card). So, be careful if:

•	your phone unexpectedly loses signal and remains unreachable;

•	you receive a series of nuisance calls: it may be a tactic used by the scammers to get you off the phone to facilitate the SIM swap process.

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What should you do?

- If you notice that your phone has unexpectedly lost signal, contact your network provider immediately. You may be able to block the SIM swap before the scammer's SIM is activated.
- Don't turn your phone off, even if you receive a lot of nuisance calls; and again, call your provider as soon as possible.
- Check your online account and look for any payments made without your authorisation.
- If you think you've fallen victim to a SIM swap, contact your bank so that it can temporarily block you account while you change your passwords.

12. VISHING

Vishing (a combination of the words voice and phishing) is a telephone scam in which fraudsters try to trick the victim into disclosing personal, financial or security information or into transferring money.

How to avoid falling victim to vishing

- Be wary of unsolicited telephone calls from companies or organisations you have not approached.
- Note down the caller's number and tell them you will call them back.
- To check the caller's identity, look for the phone number of the company or organisation (on their website or by searching online) and contact them directly.
- Don't give credit to the scammer by using the phone number they have given you (it could be a fake or counterfeited number).
- Scammers can find information about you or about your business online (e.g. through social media). Do not trust callers merely because they have this information.
- Do not give out the PIN number of your credit or debit card or the password of your online banking app. Your bank will never ask you for such information.
- Do not transfer money to another account at someone's request. Your bank will never ask you to do so.
- If you think you have been targeted by a phone scam, report it to your bank.

Activities/ Exercises in class	A set of questions to verify the level of awareness on online financial frauds. The correct answers are colored in green.

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	Which online financial fraud plays on emotional triggers to get you to provide money, gifts, or personal details? A. VISHING; B. ROMANCE SCAMS; C. MALWARE Which online financial fraud can be described as follows "Technique of fraudulently obtaining private information"? A. SIM SWAP; B. MONEY MULE; C. PHISHING To which online financial fraud is related the following tip "Never respond to a text message that asks for your PIN, online account password or other security credentials"? A. VISHING; B. MALWARE; C. SMISHING To which online financial fraud is related the following tip "Beware of job offers from people or companies abroad, because it is more difficult for you to find information on their legal status"? A. INVESTMENT SCAMS; B. ROMANCE SCAMS; C. MONEY MULING To which online financial fraud is related the following tip "Install a reliable antivirus programme on your devices and keep it constantly updated: antiviruses can detect threats and identify and block malware before they can do damage"? A. PERSONAL DATA THEFT; B. MALWARE; C. FAKE WEBSITES; Which online financial fraud operates as follows "the fraudster steals or tricks the victim to disclose their card/personal credentials/online banking verification methods and thereafter make the transaction, often to money mule accounts"? A. IDENTITY THEFT; B. INVESTMENT SCAMS; C. SMISHING;
Suggested Evaluation	ANNEX 1

Questionnaire	
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

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PLOUTOS

Module 12 – Taxes and Insurance	
Main objectives	• Student will learn about Business taxes, risk management and insurance. • Student will learn how to calculate corporation tax. • Student will learn about types of business insurance.
Learning outcomes	After this session, students • will have an overview over business taxes, risk management and insurances. • can calculate their business taxes • can pay corporate tax. • can determine risk management plan • will realize the potential risk. • can choose the right insurance for their business. • can get a business insurance
Description of the training content & material	✓ Teacher will provide theoretical and practical information about business taxes, risk management and insurance (definitions, clarifications and examples etc.). ✓ Students, working in pairs and do some activities and exercises (e.g. do some calculations). ✓ Groups work: Student sit in groups and discuss potential risk for a company. ✓ The teacher provides companies insurance requirements for each in-study country, or the student will check these requirements by their selves. OR Student will investigate the laws in the host countries to determine what the insurance obligations are. (Student can visit some websites or the teacher will provide some website). ✓ Student will visit insurance provider website and check

	the available types of business insurance.
Duration	4 hours

Business taxes (company tax/ corporation tax)

All European OECD countries businesses as all countries around the world, pay corporate income taxes on their profits (Figure 1). Each OECD countries has its own tax framework, and they must work in total alignment with EU standards and measures of safe financial practice and anti-money laundering regulations. Corporate income tax rates are determined by which country the company is based in (where they post-revenue) and their tax levy. Due to the large discrepancies in how corporate income taxes are levied by member states, the OECD works alongside the European Commission, and other European nations, in order to ensure that certain states are not providing favorable taxation benefits to certain companies.[1] European OECD countries currently levy the lowest corporate income tax rate of 21.7% (on average) compared to the worldwide average (23.54% in 2021).[2]

Table 1. Corporate Tax Rates in project partners countries (2022)

	European OECD Country	Corporate tax rates
1	Italy	27,8%
2	Belgium	25%
3	Greece	24%
4	Sweden	20.6%
5	Croatia	18%
6	Cyprus	12.5%
7	Bulgaria	10%

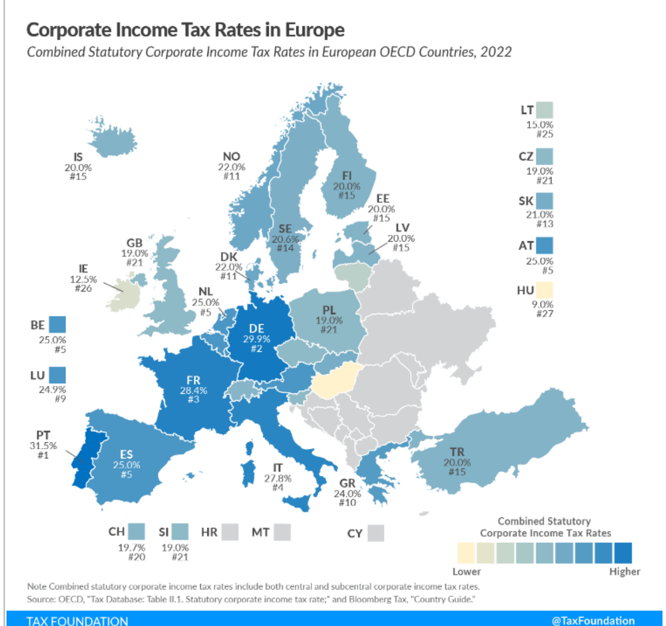

Figure 1. Corporate income taxes rates in European OECD countries 2022 (Source: Tax foundation[3])

[1] https://migronis.com/blog/taxes-in-europe
[2] https://taxfoundation.org/corporate-tax-rates-europe-2022/#:~:text=On%20average%2C%20European%20OECD%20countries,was%2023.54%20percent%20in%202021.
[3] https://taxfoundation.org/corporate-tax-rates-europe-2022/#:~:text=On%20average%2C%20European%20OECD%20countries,was%2023.54%20percent%20in%202021.

Various types of companies, clubs, co-operatives and unincorporated associations should pay corporation tax on their profits from doing business. However, the rules are set by national authorities and can be different for each EU country (Check Company tax in the EU for each member state[4]). Thus, any business owner in EU should check the national rules on company tax in the countries where the business is operated (e.g., how to register for company tax, how to prepare a company tax return, when to file tax return and which profits business should pay tax on).[5]

The amount of taxes a business ultimately pays on its profits depends on the corporate tax base and the corporate tax rate. Companies can reduce their corporate tax by deductions, government subsidies, and tax loopholes. Thus, the effective corporate tax rate, the rate a corporation actually pays, is usually lower than the statutory rate; the stated rate before any deductions.[6]

Figure 2. Corporate taxes. Source: Corporate Tax (wallstreetmojo.com)[7]

Some short definitions:

Corporate tax: is a tax on the profits of a corporation.

Tax on corporate profits: is the taxes levied on the net profits (gross income minus allowable tax reliefs)

[4] https://europa.eu/youreurope/business/taxation/business-tax/company-tax-eu/index_en.htm
[5] https://europa.eu/youreurope/business/taxation/business-tax/index_en.htm
[6] https://www.investopedia.com/terms/c/corporatetax.asp
[7] https://www.wallstreetmojo.com/corporate-tax/

of enterprises. It is measured in percentage both of GDP and of total taxation.

***Company's taxable income*:** is revenue minus cost of goods sold (COGS), general and administrative (G&A) expenses, selling and marketing, research and development, depreciation, and other operating costs.

***Adjusted Gross Income*:** is deducting the applicable adjustments from gross income.

Gross Income: is the total income arising from goods sales, commissions, interests, rent, and other sources.

***Corporate Tax Deductions*:** is when companies reduce taxable income by certain necessary and ordinary business expenditures. For example, investments and real estate purchased with the intent of generating income for the business, employee salaries, health benefits, tuition reimbursement, bonuses, insurance premiums, travel expenses, bad debts, interest payments, sales taxes, fuel taxes, excise taxes, tax preparation fees, legal services, bookkeeping, and advertising.

***Double taxation*:** is an income taxes paid twice on the same source of income. It can occur when income is taxed at both the corporate level and personal level, same income being taxed by two different countries (e.g. international trade or investment when the same income is taxed in two different countries).

***Corporate Tax Planning*:** is the process of curtailing taxable income in an ethical manner. Companies can avoid paying excessive taxes when they legitimately reduce the taxable income by utilizing tax planning alternatives. It is NOT unethical means—non-payment or tax evasion. Companies can decrease tax liability by using various deductions, credits, government subsidies, and exemptions approved by the Internal Revenue Service (IRS). Tax consultants and chartered accountants have an in-depth knowledge of tax regulations, tax management, and tax planning so they may help companies with their corporate tax planning.

Corporate Tax Calculation

1. Find the adjusted gross income and the allowed deductions to compute the taxable income.

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2. Count the corporation's taxable income.
3. Multiply the corporation tax percentage with the taxable income

Taxable income = Adjusted gross income – All applicable deductions.

Corporate tax = taxable income * Corporate Tax Rates.

Example:

X company has earned a net profit of 10,000 EUR during the current financial year. The company is allowed up to 1000 EUR in deductions. The applicable corporation tax rate is (choose a host country from table1). Now, calculate the corporation tax.

Taxable Income = Adjusted Gross Income – All Applicable Deductions

Taxable Income = 10000 – 1000 = 9000EUR

Corporate Tax = 9000 × 20.6% (e.g. Sweden) = 1854EUR

Thus, X company is liable to pay 1854EUR as corporation tax.

Some advantages of corporate tax[8]

1. Unbiased: all the registered companies pay corporation tax equitably, whether it is a public company or a private company.
2. Government Revenue Source: The government relies on the collected revenue to fund public services like infrastructure, defense, and transportation.
3. Tax Deductions: Companies can seek tax deductions on employee medical insurance, employee wages, and other employee expenses. Bad debts and losses can also be deducted from the taxable amount.
4. Efficient Corporate Tax Planning: With proper tax planning, corporations can ethically reduce tax liabilities.
5. Tax Incentives: Many developing economies offer tax-related incentives to encourage investments.

How to pay corporate tax

The tutor will explain the process based on each in-study country.

Some suggested websites (the teacher is free to use the best way)

[8] https://www.wallstreetmojo.com/corporate-tax/

Sweden:
https://skatteverket.se/servicelankar/otherlanguages/inenglish/businessesandemployers/startingandrunningaswedishbusiness/payingtaxesbusinesses.4.12815e4f14a62bc048f5395.html

More information about corporation tax at all the project partners countries:

Sweden: https://taxsummaries.pwc.com/sweden/corporate/taxes-on-corporate-income

Italy: https://taxsummaries.pwc.com/italy/corporate/taxes-on-corporate-income

Greece: https://taxsummaries.pwc.com/greece/corporate/taxes-on-corporate-income

Cyrus: https://taxsummaries.pwc.com/cyprus/corporate/taxes-on-corporate-income

Bulgaria: https://taxsummaries.pwc.com/bulgaria/corporate/taxes-on-corporate-income

Belgium: https://taxsummaries.pwc.com/belgium/corporate/taxes-on-corporate-income

Croatia: https://taxsummaries.pwc.com/croatia/corporate/taxes-on-corporate-income

Risk Management in Finance[9]

Any investment involves some degree of risk. Here are some risk management definitions:

Risk management is the process of assessing, managing and mitigating losses which could be applied to both business and investing.

Risk Management is the process of identifying, analyzing, and acceptance or mitigation of uncertainty in investment decisions.

Risk Management involves having a plan in place to get things back to normal as quickly as possible of something bad dose happens.

The investor should analyze and attempt to quantify the potential for losses in an investment, such as a moral hazard, and then takes the appropriate action (or inaction) given the fund's investment objectives and risk tolerance. A solid understanding of risk in its different forms can help investors to

[9] https://www.investopedia.com/terms/r/riskmanagement.asp

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PLOUTOS

better understand the opportunities, trade-offs, and costs involved with different investment approaches.

So, what is a risk?

It is a deviation from an expected outcome which could be any event or circumstance that has a negative effect on your business (e.g., the risk of having equipment or money stolen as a result of poor security procedures.

Some common risk:[10]

- Strategic: decisions concerning your business' objectives
- Compliance: the need to comply with laws, regulations, standards and codes of practice
- Financial: financial transactions, systems and structure of your business
- Operational: your operational and administrative procedures
- Environmental: external events that the business has little control over such unfavorable weather or economic conditions
- Reputational: the character or goodwill of the business.
- Others: health and safety, project, equipment, security, technology, stakeholder management and service delivery.

Risk management plan[11]

1. Identify potential risk by:
    - Evaluate each function in your business and identify anything that could have a negative impact on your business.
    - Review your records such as safety incidents or complaints to identify previous issues.
    - Consider any external risks that could impact on your business.
    - Brainstorm with your staff.

[10] https://www.smallbusiness.wa.gov.au/legal-risk/risk-management
[11] https://www.smallbusiness.wa.gov.au/legal-risk/risk-management

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Here are some questions which could help you: you lost power? your premises were damaged or not accessible? your suppliers went out of business? there was a natural disaster in your area? one of your key staff members resigned or was injured at work? your computer system was hacked? your business documents were destroyed?

2. Assess each identified risk by:
    - the likelihood (frequency) of it occurring
    - the consequence (impact) if it occurred

    Level of risk = likelihood x consequence

    How risk is controlled:
    - elimination
    - substitution
    - engineering controls
    - administrative controls
    - Personal protective equipment.

Use the risk analysis matrix to help you determine the level of risk. (figure 2,3)

Risk Analysis Matrix

Likelihood		Rare	Unlikely	Moderate	Likely	Certain
		The event may occur in exceptional circumstances.	The event could occur at some time.	The event will probably occur at some time.	The event will occur in most circumstances.	The event is expected to occur in all circumstances.
		Less than once in 2 years	At least once per year.	At least once in 6 months.	At least once per month.	At least once per week.
Consequence	**Level**	**1**	**2**	**3**	**4**	**5**
Negligible No injuries. Low financial loss.	**0**	0	0	0	0	0
Minor First-aid treatment. Moderate financial loss.	**1**	1	2	3	4	5
Serious Medical treatment required. High financial loss. Moderate environmental implications. Moderate loss of reputation. Moderate business interruption.	**2**	2	4	6	8	10
Major Excessive, multiple long term injuries. Major financial loss. High environmental implications. Major loss of reputation. Major business interruption.	**3**	3	6	9	12	15
Fatality Single death.	**4**	4	8	12	16	20
Multiple fatalities Multiple deaths and serious long term injuries.	**5**	5	10	15	20	25

Government of Western Australia — Small Business Development Corporation

AUG21/007

Figure 3. risk analysis matrix (source Small Business Development Corporation[12])

[12] https://www.smallbusiness.wa.gov.au/legal-risk/risk-management

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Figure 3. risk analysis matrix appendix (source Small Business Development Corporation[13])

Risk Analysis Matrix

Risk rating	Risk priority	Description
0	N	**No risk:** The costs to treat the risk are disproportionately high compared to the negligible consequences.
1 – 3	L	**Low risk:** May require consideration in any future changes to the work area or processes, or can be fixed immediately.
4 – 6	M	**Moderate:** May require corrective action through planning and budgeting process.
8 – 12	H	**High:** Requires immediate corrective action.
15 – 25	E	**Extreme:** Requires immediate prohibition of the work process and immediate corrective action.

3. Manage the risks by developing cost effective options to deal with them. This could be done by:
   - Avoid the risk - change your business process, equipment or material to achieve a similar outcome but with less risk.
   - Reduce the risk - if a risk can't be avoided reduce its likelihood and consequence. This could include staff training, documenting procedures and policies, complying with legislation, maintaining equipment, practicing emergency procedures, keeping records safely secured and contingency planning.
   - Transfer the risk - transfer some or all of the risk to another party through contracting, insurance, partnerships or joint ventures.
   - Accept the risk – this may be your only option.

4. Monitor and review
   You should regularly monitor and review your risk management plan and ensure the control measures and insurance cover is adequate. Discuss your risk management plan with your insurer to check your coverage.

5. Preparing a business continuity plan which includes:[14]
   - A detailed list identifying risks that could disrupt your business.
   - Actions to be taken if the unexpected event occurs.

[13] https://www.smallbusiness.wa.gov.au/legal-risk/risk-management
[14] https://www.smallbusiness.wa.gov.au/legal-risk/risk-management

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- A list of key staff and stakeholders and their specific roles in relation to the plan.
- Plans for a relocation strategy if your premises should be inaccessible.
- Emergency contact telephone numbers.
- Details of where first aid and key documents are stored.
- A list of key documents such as insurance policies and financial records that need to be retrieved if the plan is activated.
- A communication plan to broadcast key message about the disruption.
- A guide as to when the plan is to be activated.

The most traditional form of risk management:

Insurance (business insurance)[15]

Business insurance is an insurance covers the financial loss stemming from a variety of events that can negatively impact a business's operations. The most important and common types of insurance cover employee-related issues, legal liability, and property damage.

Each company chooses the types of coverage it needs according to the risks involved in the industry, the value of the investments, and the company's legal structure. For example, a solo entrepreneur doesn't need to waste money on employee insurance and a construction company with employees working in potentially dangerous conditions should absolutely have insurance to protect them.

Insurance is not just a good idea, but some types of coverage are legally required for certain business operations. Insurance requirements can vary from country to another. (The teacher provides companies insurance requirements for each in-study country).

Some solo entrepreneurs risk leaving their personal finances exposed without the proper protection. However, small companies need to invest in quality insurance coverage to ensure their investments are

[15] https://www.bluehost.com/blog/learning-how-to-protect-your-business-investment-insurance-contracts-and-site-security/?irpid=101&clickid=P61C101S570N0B5578A2D4499E0000V129&gclid=CjwKCAiA2fmdBhBpEiwA4CcHzeZOpDRgT60LW5JDBe9q7D8wCWHhcM8ik_Xhz3X5o5-aMxTRH7LqrxoCMHwQAvD_BwE&gclsrc=aw.ds

protected. These small to medium-sized companies are at greater monetary risk than larger corporations because they can't absorb a financial blow as easily. Small business insurance can fundamentally serve you and your venture in various ways:[16]

- It protects your assets.
- It provides reimbursement.
- It helps protect you from lawsuits.
- It closes coverage loopholes.

Types of business insurance

1. ***General liability business insurance***

General liability business insurance protects companies from issues that might occur through the typical business operations such as personal injury, property damage, bodily injury, vandalism, loss of Income.

2. ***Business Income Insurance OR Business interruption insurance***[17]

Business interruption insurance covers the losses of income that a business suffers after a disaster-related closing of the business facility or due to the rebuilding process after a disaster. This coverage extends until the end of the business interruption period determined by the insurance policy. Business interruption insurance differs from property insurance as it covers both the physical damage to the business and the profits that would have been earned.

Business interruption insurance policy covers:

1. Profits that would have been earned based on prior months' financial statements.
2. Fixed costs such as operating expenses and other costs still being incurred by the property based on historical costs.
3. Temporary location: Some policies cover the extra expenses for moving to, and operating from, a temporary location.
4. Commission and training cost: the cost of providing training to the operators of the machinery replaced by the insurer following the insured events.
5. Extra expenses, for example, reimbursement for reasonable expenses (beyond the fixed costs) that allow the business to continue operation while the property is being repaired.

[16] https://www.shopify.com/blog/how-to-get-business-insurance
[17] https://en.wikipedia.org/wiki/Business_interruption_insurance

PLOUTOS

6. Civil authority ingress/egress. Government-mandated closure of business premises that directly causes loss of revenue (e.g., forced business closures because of government-issued curfews or street closures related to a covered event).

3. Home-Based Business Insurance

If you don't have an office building or brick-and-mortar storefront and you run a small business out of the comfort of your own home so you can bundle home-based business insurance with your current policy. That includes liability coverage for potential third-party injuries and any business equipment. (Contact your insurance provider to see what options they can offer).

4. Commercial Property Insurance

Commercial property insurance helps protect your owned or rented building and equipment that you use to run your business.

5. Product Liability Insurance

Product liability insurance protects you from lawsuits and other legal actions that might result from misuse or accidents associated with your products.

6. Vehicle Insurance

You or any of your employees use a car for business purposes so this car needs to be fully insured. However, comprehensive car insurance will also cover your company car in the event of an accident.

7. Professional Liability Insurance OR errors and omissions (E&O) insurance

Professional liability insurance helps cover lawsuits claiming that you made a mistake in the services you provided.

8. Workers' Compensation Insurance

This type of insurance gives employees benefits if they get hurt or sick from their job. It pays for their medical bills, replaces most of their lost wages if they miss work to recover, covers funeral costs if they lose their life due to a work-related injury or illness, and pay for ongoing care, like physical therapy.

9. ***Data Breach Insurance OR cyber insurance***

Data breach insurance helps your business respond to a data breach if personally identifiable information gets lost or stolen. This insurance can pay your costs to notify impacted individuals, offer identity theft monitoring services and create a public relations campaign.

10. ***Commercial Umbrella Insurance***

This type of insurance extends the coverage limits for some of your liability policies. So, if a claim exceeds the limits on your policy, your umbrella insurance can help cover the difference.

11. ***Business owner's policy (BOP).***

A BOP usually bundles commercial property, general liability, and business interruption insurance coverage.

How much you pay for a business insurance depend on:

1. The type of insurance you're buying
2. The amount of coverage you want
3. The overall value of the business or investments being covered
4. The quality of the insurance provider you're using

Note: include insurance premiums into your overall budget since they are a critical part of protecting your business investments.

How you choose the best business insurance

1. Assess your business and understand the potential risks (define potential lawsuits, accidents, or other damages could hurt your business to find the appropriate insurance coverage for your company). Here you can ask yourself the following question:
    - Does my business have a physical location that the public can access?
    - Do I have employees?
    - Will I use my own vehicle or a company vehicle for business?

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- Can my business survive if it has to close after getting damaged?

2. Choose a licensed, reputable commercial insurance agent.
3. Get a Quote for Business Insurance and compare between different available choices. Compare benefits, rates, and terms to determine the best option based on price, coverage and customer service reviews.

How you get a business insurance

First, you need to collect all information about:

- Your business such as gross annual sales, owner history, number of years in business, main business functions, number of employees and total annual payroll.
- Your business property such as, tools and equipment, furnishings, business assets, business documents, business location, building age, building square footage, building construction, building safety.

Second, understand how insurance can help.

Third, review different types of business insurance. If you know which types of business insurance your business needs, get a quote online.

Fourth, assess business risk by considering the following factors:[18]

- Work environment. Is your workplace accident-prone? Do you use heavy machinery with a few employees? Workers' compensation insurance is a must.
- Digital footprint. Do you conduct all of your business from your computer? What are your contingency plans if your computer is hacked and you are left unable to work? In this case, cyber insurance is your best bet.
- Physical workspace. Is there a physical location that members of the public will enter? If so, you're going to want general liability insurance.
- Regional weather. Is your business located in an area that is prone to natural disasters like floods, hurricanes, or tornadoes? Commercial property insurance would protect assets destroyed in a disaster.

Fifth, find a reputable licensed agent.

Sixth, you can get help from insurance agents to understand how each coverage works and whether it can help your business.

[18] https://www.shopify.com/blog/how-to-get-business-insurance

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Seventh, get quotes from business insurance providers and keep in mind that you can:

- Use your network.
- Work with a broker who has experience in your field to help you find your insurance fit.
- Consider specialty insurance or gap policies.

Eighth, review, customize, and purchase your policy

Finally, review and reassess your policy annually

Activities/ Exercises in class	**In class exercises** • Students will work in groups and check the tax on corporate profits during the past 20 years by using the chart (they will check the tax on corporate profits for OECD countries and then for their host countries). • https://data.oecd.org/tax/tax-on-corporate-profits.htm • Students will also try the map to find the highest and lowest Tax on corporate profits in all over the world. • Students will work in group and count company's cooperate tax and company's taxable income in some chosen EU countries (they will use table "Corporate Tax Rates in project partners countries"). Lecturer will give example from real companies. • Teach will give the students some risks example and types of companies then the students will use risk analysis matrix to determine the level of risk. • Student will work individually and find (4-5) insurance provider for business in the host country (project partner countries).
Suggested Evaluation Questionnaire	ANNEX 1
References/Bibliography	ANNEX 2
Glossary/Terms	ANNEX 3

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ANNEX 1

General questions

1. What did you expect to learn from this course?

2. The course met my expectations/needs?
   - ☐Strongly agree
   - ☐Agree
   - ☐Undecided
   - ☐Disagree
   - ☐Strongly disagree

3. Rate your overall experience of the course
   - ☐Excellent
   - ☐Very good
   - ☐Average
   - ☐Poor
   - ☐Very poor

4. What did you like most / least in the course?

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Course design and activities

1. The course content was well-organised and easy to follow

   ☐Strongly agree
   ☐Agree
   ☐Undecided
   ☐Disagree
   ☐Strongly disagree

2. Rate the overall level of difficulty of the course

   ☐Too difficult
   ☐Difficult
   ☐Moderate
   ☐Easy
   ☐Very easy

3. The tasks were clearly explained

   ☐Strongly agree
   ☐Agree
   ☐Undecided
   ☐Disagree
   ☐Strongly disagree

4. Which activities/tasks did you find most useful? Why?

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Teaching and support

1. The course material was useful
   - ☐Strongly agree
   - ☐Agree
   - ☐Undecided
   - ☐Disagree
   - ☐Strongly disagree

2. The tutor was engaging
   - ☐Strongly agree
   - ☐Agree
   - ☐Undecided
   - ☐Disagree
   - ☐Strongly disagree

3. The tutor provided helpful feedback
   - ☐Strongly agree
   - ☐Agree
   - ☐Undecided
   - ☐Disagree
   - ☐Strongly disagree

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Impact of learning

1. Give an example of how you will apply what you learnt in this course in your everyday life/job:

2. Give (up to two) examples where the learning has helped to improve your financial literacy and/or business affairs (if applicable):

3. Which topic(s) would you have liked additional or follow-up content for?

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ANNEX 2

Module 1 - What is Financial Literacy
• No references

Module 2 – Personal Finance Management
• Kenton W., What Is Personal Finance, and Why Is It Important? (2022, September) Investopedia, Retrieved from: https://www.investopedia.com/terms/p/personalfinance.asp • Personal Finance Management, Handbook for Social Workers/Vintere A., ed., Klaipeda – Kuressaare - Jelgava, (2017) 119 p., Retrieved from: https://www.kvk.lt/wp-content/uploads/2020/11/Personal-Finance-Management-Handbook.pdf • Tyagi N., What is Personal Finance? Importance, Types, Process, and Strategies, (2020, November), Analytic Steps, Retrieved from: https://www.analyticssteps.com/blogs/what-personal-finance-importance-types-process-strategies • Trent Larsen T., How to Manage Your Finances, (2021, December), WikiHow, Retrieved from: https://www.wikihow.life/Manage-Your-Finances • Personal Finance 101: The complete guide to managing your money, (2021, January), CNBC, Retrieved from: https://www.cnbc.com/guide/personal-finance-101-the-complete-guide-to-managing-your-money/#set-short-term-and-long-term-goals • Steps for Effective Personal Finance Planning and Management, Credit Counseling Society, Retrieved from: https://nomoredebts.org/blog/manage-money-better/steps-for-effective-personal-finance-management-and-planning

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Module 3 - Financial Services (What is Mobile Money, Cryptocurrency etc.)
• FAS: What is mobile money? How is it different from mobile banking?, *DataHelp from International Monetary Fund*, Retrieved from: https://datahelp.imf.org/knowledgebase/articles/1906552-fas-what-is-mobile-money-how-is-it-different-fro • Lowe C., Mobile Money: The $1 trillion industry driving the financial inclusion of the world's poor, (2022, May), *GSMA Innovation Fund*, Retrieved from: https://www.gsma.com/mobilefordevelopment/blog/mobile-money-the-1-trillion-industry-driving-the-financial-inclusion-of-the-worlds-poor/ • Osafo-Kwaako P., Singer M., White O., and Zouaoui Y., Mobile money in emerging markets: The business case for financial inclusion , (2018, March), *Mc Kinsey & Company*, Retrieved from: https://www.mckinsey.com/industries/financial-services/our-insights/mobile-money-in-emerging-markets-the-business-case-for-financial-inclusion • Mobile Money Transfer: Pros and Cons, (2022, April), *Compare Remit*, Retrieved from: https://www.compareremit.com/money-transfer-tips/mobile-money-transfer-pros-and-cons/ • Adeniran A., An Introduction to Mobile Money & Agency Banking, (2021, December), *Moni*, Retrieved from: https://www.moni.africa/post/mobile-money-and-agency-banking • Frankenfield J., Cryptocurrency Explained with Pros and Cons for Investment: Learn what you need to know before you invest in a virtual currency, (2023, January), *Investopedia*, Retrieved from: https://www.investopedia.com/terms/c/cryptocurrency.asp • Marr B., A Short History Of Bitcoin And Crypto Currency Everyone Should Read, (2017, December), *Forbes*, Retrieved from: https://www.forbes.com/sites/bernardmarr/2017/12/06/a-short-history-of-bitcoin-and-crypto-currency-everyone-should-read/ • A Short History of Cryptocurrencies, *Kriptomat*, Retrieved from: https://kriptomat.io/cryptocurrencies/history-of-cryptocurrency/

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Module 4 - Savings (Different Ways to Save, Goals, etc.)
• Family Economics & Financial Education, (2010, December 2010), *University of Arizona*, Retrieved from: https://financeintheclassroom.org/downloads/WhatSavingswhyimportant.pdf • Kagan J., What Are Savings? How to Calculate Your Savings Rate, (2022, May), *Investopedia*, Retrieved from: https://www.investopedia.com/terms/s/savings.asp • Sweta I., Savings, (2023, January), Cleartax, Retrieved from: https://cleartax.in/g/terms/savings • 8 simple ways to save money, *Bank of America*, Retrieved from: https://bettermoneyhabits.bankofamerica.com/en/saving-budgeting/ways-to-save-money

Module 5 – Investments
• https://www.investopedia.com/terms/i/investment.asp • www.Investor.gov • https://www.investor.gov/introduction-investing/investing-basics/investment-products/certificates-deposit-cds#:~:text=A%20certificate%20of%20deposit%20(CD,originally%20invested%20plus%20any%20interest • Investor Preparedness Checklist chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.investor.gov/sites/investorgov/files/2019-03/OIEA_Financial_Capability%20Checklist.pdf • https://www.investor.gov/protect-your-investments/fraud/how-avoid-fraud • https://www.shopify.com/blog/investing-in-your-business • https://smallbusiness.chron.com/types-business-investment-69783.html

Module 6 – Loans
• No references

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Module 7 – Income Generating Activities: Selection, Planning and Management
• Income generating activities (IGAs) https://www.fao.org/3/x0206e/x0206e03.htm • Selection, Planning, and Management (SPM) of Income Generating Activities (IGAs) is a training course for semi-literate participants of the VS&L intervention. It has been designed for participants who are interested in starting up IGAs in the drought-prone districts of Zimbabwe. https://wvusstatic.com/2019/pdfs/SPM_Manual.pdf • Training Guide for Field Officers and Village Agents, Selection, Planning and Management (SPM) of Income-generating Activities https://s227aa2db1b3b0942.jimcontent.com/download/version/1643284013/module/7487493651/name/SPM_manual_1.02_English.pdf • Youth Agri-Skilling for Decent Employment (Yade), Income Generating Activity - Selection, Planning and Management. https://www.afard.net/publications/manuals/181-yade-income-generating-activity-selection-planning-and-management/file

Module 8 – How to Create Business Plan
• https://www.investopedia.com/terms/b/business-plan.asp • https://www.nerdwallet.com/article/small-business/business-plan • https://www.forbes.com/advisor/business/how-to-write-a-business-plan/ • https://www.shopify.com/blog/business-plan • https://unsplash.com/s/photos/business-plan • https://unsplash.com/s/photos/business-plan • https://www.shopify.com/blog/business-plan • https://www.thebalancemoney.com/elevator-speech-examples-and-writing-tips-2061976 • https://www.shopify.com/blog/business-plan • https://www.shopify.com/blog/business-plan • https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan • https://startupsavant.com/lean-startup-business-plan-guide#:~:text=What%20Is%20a%20Lean%20Startup,identifying%20a%20problem%20and%20solution • https://economyaat.net/en/model/canvas-economyaat

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- https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan

Module 9 – How to Request a Microloan and Funds

• https://www.educba.com/microfinance-loan/
• https://allcloud.in/blog-details/22/7-Stages-in-Loan-Origination-process
• https://www.nortonfinance.co.uk/know-how/a-to-z-of-finances/how-do-loan-applications-work
• https://farmcreditcfl.com/resources/article/5-basic-steps-loan-approval-process
• https://www.tatanexarc.com/info-hub/business-expansion/how-to-apply-for-a-microfinance-loan-405/
• https://microstart.be/en
• Documents from microStart :
  • microStart Funding Presentation (2022)
  • Credit manual (September 2022)
  • Appraisal training (application for funding) (2020)

Module 10 – How to Open an Account
• https://europa.eu/youreurope/citizens/consumers/financial-products-and-services/bank-accounts-eu/index_en.htm • https://gocardless.com/guides/posts/how-to-open-a-business-bank-account-in-europe/ • https://wamo.io/blog/the-easiest-way-to-open-a-business-account-in-cyprus • https://www.monito.com/en/wiki/open-bank-account-greece-even-without-proof-residency#overview • https://www.companyformationbulgaria.com/opening-a-bank-account-in-bulgaria

Module 11 – (Online) Financial Fraud
• CERTFin Report 2022 “Bank IT security and fraud”

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- ("I Navigati" CERTFin awareness campaign – web serie on cybersecurity with english subtitles: https://www.youtube.com/watch?v=SL3BzK4cDZw&list=PL37_OtPM5N-Gy_HWpOKkLZ8jj2sViRKRn

Module 12 – Taxes and Insurance
• https://migronis.com/blog/taxes-in-europe • https://taxfoundation.org/corporate-tax-rates-europe-2022/#:~:text=On%20average%2C%20European%20OECD%20countries,was%2023.54%20percent%20in%202021. • https://taxfoundation.org/corporate-tax-rates-europe-2022/#:~:text=On%20average%2C%20European%20OECD%20countries,was%2023.54%20percent%20in%202021. • https://europa.eu/youreurope/business/taxation/business-tax/company-tax-eu/index_en.htm • https://europa.eu/youreurope/business/taxation/business-tax/index_en.htm • https://www.investopedia.com/terms/c/corporatetax.asp • https://www.wallstreetmojo.com/corporate-tax/ • https://www.wallstreetmojo.com/corporate-tax/ • https://www.investopedia.com/terms/r/riskmanagement.asp • https://www.bluehost.com/blog/learning-how-to-protect-your-business-investment-insurance-contracts-and-site-security/?irpid=101&clickid=P61C101S570N0B5578A2D4499E0000V129&gclid=CjwKCAiA2fmdBhBpEiwA4CcHzeZOpDRgT60LW5JDBe9q7D8wCWHhcM8ik_Xhz3X5o5-aMxTRH7LqrxoCMHwQAvD_BwE&gclsrc=aw.ds • https://www.shopify.com/blog/how-to-get-business-insurance • https://en.wikipedia.org/wiki/Business_interruption_insurance • https://www.investopedia.com/terms/r/riskmanagement.asp • https://www.smallbusiness.wa.gov.au/legal-risk/risk-management

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ANNEX 3

Module 1 - What is financial literacy
Budget
Budget Plan
Income
Expenses
Deficit
Surplus

Module 2 – Personal Finance Management
Budgeting
Banking
Credit Cards
Discretionary Spending
Dept
Expenses
Estate Planning
Financial Goals
Financial Risks
Income
Investments
Insurance
Interest Rates
Loans
Long-term Financial Goals
Mortgage Planning
Protection
Personal Finance
Personal Finance Management
Personal Budget
Required Expenses

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Retirement Planning
Short-term Financial Goals
SMART
Short-term Financial Goals
Savings
Spending
Tax

Module 3 - Financial services (What is mobile money, Crypto-currency etc.)
Agency Banking
Blocks
Cash
Crypto-currency
Coins
Centralized Intermediaries
CICO (Cash-in-cash-out)
Digital Wallet
Decentralized System
Digital Trail
Financial Instruments
Initial Coin Offerings (ICOs)
Mobile POS Terminal
Mining
Mobile Money
Mobile Money Agents
Mobile Banking
Transactions
Telecom provider

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Module 4 - Savings (Different ways to save, goals, etc.)
Bankruptcy
Checking Accounts
Certificates of Deposit (CDs)
Expenditures
Investment
Long-term Savings
Money Market Accounts
Profit
Savings Accounts
Savings
Short-term Savings
Saving Rate
Trade-Offs
Withdrawal

Module 5 – Investments
Appreciation
Acquisitions
Bonds
Capital
Cryptocurrency
Commodities
Collectibles
Equities
Fraud
Investment
Investing
Index Funds
Mutual Funds

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Real Estate
Stocks
Speculation
Saving
Fixed-Income Securities

Module 6 - Loans
Loan Cycle

Module 7: Income Generating Activities: Selection, Planning and ,anagement
Capital
Cost
Demand
Earning
Equipment
Expenses
Goal
Income
Income Generating Activity
Inputs
Loan Officer
Management
Market
Needs
Operator
Owner
Planning
Price
Production

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Products
Profit
Quantity
Raw material
Resources
Risks
Saving
Selection
Services
Stock
Supply
Tasks

Module 8 – How to create Business plan
Activities
Business Plan
Business Model
Customer Segments
Cost Structure
Channels
Financial Plan
Marketing Plan
Marketing Strategy
Revenue streams
Partnerships
Resources
SWOT
Value Proposition

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Module 9: How to request a microloan and funds
Advisor
Business Plan
Closing
Coaching
Contract
Credit Application
Credit Committee
Credit Decision
Credit History
Credit Core
Creditworthiness
Deposit
Financing Needs
Funds
Guarantor
Income
Lenders
Loan
loan Underwriting
Microloan
Recovery
Repayments
Starting a Business
Support
Turnover
Working Capital

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Module 10 – How to Open a Bank Account
Business Bank aAcount
Basic Payment Account
Checking Account
Money Market Account
Merchant Services Account
Savings Account

Module 11 – (Online) Financial Fraud
Fake websites
Investment scams
Identity theft
Malware
Money Mule
Online shopping fraud
Phishing
Romance scam
SIM swap
Smishing
Vishing

Module 12 - Taxes and Insurance
Business Interruption Insurance
Corporation Tax
Double taxation
Gross Income
Insurance
Liability Business Insurance
Risk Management

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Risk
Tax Deductions

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