

Grade 9 Economics Simulation



# Debt Collector Exam

Learning Material



Aspiring Debt  
Collectors' Handbook

## **Role of a Debt Collector**

As a Debt Collector, your job is to ensure that students who have taken loans or owe Zenny pay their debts on time.

You will keep detailed records of all debts, remind students when payment is due, and collect the Zenny owed. If students fail to pay, you must report them to the Teacher or the Police for further action.

## **Key Responsibilities**

### **Maintaining a Debt Record**

Keep an updated list of all students who owe Zenny, including the amount owed and the due dates for repayment.

### **Reminding Students**

Regularly remind students when their debts are due to ensure timely payment.

### **Collecting Debts**

You are responsible for collecting the Zenny owed by students. Make sure to follow up with students who have outstanding debts.

### **Reporting Non-Payment**

If a student fails to pay their debt, you must report the incident to the Teacher along with evidence of the unpaid debt.

# Understanding Debt Collection Concepts

To effectively manage debt in the simulation, here are some important concepts related to debt collection:

## Interest on Loans

Debts may accrue interest over time. This means that the longer a debt goes unpaid, the more Zenny the student may owe. The interest is 10% in 5 weeks.

example: If a student borrow 50 Zenny, he has to pay 55 Zenny in total (50 Zenny + 5 Zenny interest)

## Installment Payments

Students will have to pay their debts in 5 installments over 5 weeks, with minimum payment 20% of loan amount per week. Keep track of partial payments.

## Default

When a student fails to pay their debt by the due date, they are considered to be in default. As a Debt Collector, it is your responsibility to handle defaults by reporting them.

## Debt Collection Concepts

These are some debt collection concepts that you must understand as a Debt Collector:

### Debt Repayment Plans

Debt collectors may offer debtors the opportunity to set up repayment plans if they are unable to pay the amount needed to be paid. This should not be more than 1 time per person for every loan.

### Fair Debt Collection Practices

Debt collectors must follow laws that protect debtors from harassment or unfair practices. As the Debt Collector you should act professionally and follow fair practices when collecting Zenny.

### Credit Scores

A person's credit score can be impacted by their ability to repay debt on time. You can track a "credit score" for students that reflects their payment history, which could affect their ability to borrow Zenny in the future.

Starting points for the credit score is 100. Everytime a student late on his payment, it will be drop by 5 points.

### Collateral

Bank usually require collateral (something of value) to secure a loan. Students may have to pledge Zenny or another valuable asset as security.



## **Debt Management Strategies**

To help students manage their debts responsibly, here are a few strategies you can teach them:

### **Paying on Time**

Encourage students to pay their debts as soon as possible to avoid penalties or additional interest.

### **Tracking Debt**

Suggest that students keep their own records of what they owe and when payments are due to avoid missing deadlines.

### **Debt Prioritization**

Students may need to prioritize which debts to pay first, especially if they owe Zenny to multiple people.

## **Legal Actions**

In extreme cases, debt collectors may pursue legal action to recover unpaid debts. You will report defaults to the Teacher or to the Police, who may impose penalties based on the Laws.

