



Instructions: No answer bank: show your working for the money maths. Number the steps in order, answer the case study questions, explain the key terms, then write full-sentence answers and plan the extended answer.

1. Money maths (show your working)

Question	Working and answer
Net €2,400: 30% wants =	
Income £1,850, expenses £1,960. Deficit =	
Weekly snacks £3.50 × 52 weeks =	
Energy bill rises from €120 to €165. Increase as a %	
Income £60, expenses £15, £10, £8, £5. Surplus	

Did you know?

- The 50/30/20 idea was made popular in a 2005 book on personal finance.
- A 'zero-based budget' gives every unit of money a job.
- Variable costs are where most savings can be found.
- Energy prices across Europe rose sharply in 2022.

Background

A budget is a plan for your money. It lists your income (money coming in) and your expenses (money going out) over a week or a month. If income is bigger than expenses, you have a surplus to save. If expenses are bigger, you have a deficit, and you must cut spending, earn more or borrow.

2. Steps in order

Number the steps 1 to 6 (1 = first).

1	Fixed: List fixed costs
2	Plan: Decide what to do with any surplus or deficit
3	Variable: Estimate variable costs
4	Track: Record real spending and adjust
5	Income: Write down all money coming in
6	Subtract: Income minus expenses

4. Key terms

Key term	What does it mean? Give an example.
Budget	
Income	
Expense	
Surplus	
Deficit	

3. Case study

Tayo's family: net income €2,600 a month. Rent €850, food €480, energy €160, transport €140, phone and internet €60, children's activities €120, fun €300, other €250.

Case study: the family budget

1. Total the expenses. Surplus or deficit?

2. Which costs are fixed and which variable?

3. If energy rises by €100, suggest two adjustments.

5. Think it through

1. Explain two reasons budgets fail.

2. Explain one consequence of a long-term deficit.

6. Longer answers (full sentences)

1. Explain surplus and deficit with numbers.

2. Describe the 50/30/20 guide and one limitation.

3. Why are fixed costs paid first?

4. Explain in your own words: What can a family do if they have a deficit?

7. Extended answer

Extended answer: 'Every family should have a written budget.' How far do you agree?

Plan: introduction · point for (example) · point against (example) · conclusion with your judgement.
