

# Lesson 1: Needs & Wants

## Vocabulary Words:

**Needs:** Something that is necessary to live a healthy life.

**Wants:** Something that is desired.

1. Place a “N” next to items that are **NEEDS**.  
Place a “W” next to items that are **WANTS**.



Video Games

a. \_\_\_\_\_



Soccer Ball

b. \_\_\_\_\_



Ice Cream

c. \_\_\_\_\_



Clothing

d. \_\_\_\_\_



Medicine

e. \_\_\_\_\_



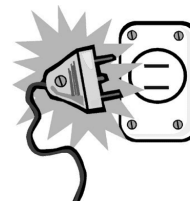
Fresh Water

f. \_\_\_\_\_



iPod

g. \_\_\_\_\_



Electricity

h. \_\_\_\_\_

## Lesson 2: Budgeting

**Vocabulary: Budget-** a plan for saving and spending.

To create a budget, you have to know the amount of money you have coming in and the amount of money you have going out.

**1. You are trying to save up for a new video game that costs \$22.00.**

You have a chance to earn some money working:

Washing Dogs: \$4.00 ea.   Babysitting: \$3.25 / hour   Lemonade Stand: \$.75 / glass

- a. How many dogs will you need to wash?
- b. How many hours will you have to babysit?
- c. How many glasses of lemonade will you have to sell?

**2. John has prepared a weekly budget:**

Description	Income	Expense	Money Available
Allowance	+ \$10		\$10
Delivering Papers	+ \$25		\$35
Lunch Money		- \$5	\$30
Bus Fare		- \$10	\$20
<b>Weekly Savings</b>			<b>\$20</b>

- a. John saw a new camera for \$145. Using the savings in his budget, how many weeks will it take John to save up enough to buy it?
- b. John decides to start washing cars to earn an extra \$10 per week. How long will it take him now to get the camera?

**3. Your Turn! Create your own weekly budget:**

Description	Income	Expense	Money Available
<b>Weekly Savings</b>			

# Lesson 3: Banking

Banks offer many tools to help you manage your money.

## Vocabulary Words:

- a. Checking Accounts
- b. Interest
- c. Credit Cards
- d. Certificates of Deposit (CD's)
- e. Loans
- f. Savings Accounts

### 1. Fill in the blanks with the right word.

\_\_\_\_\_ allow you to save money and earn interest.

\_\_\_\_\_ allow you to withdraw money by writing checks.

\_\_\_\_\_ are a type of saving account that typically offers higher interest rates but requires that the cash remain in the bank for a fixed time period.

\_\_\_\_\_ allow you to instantly borrow money to purchase goods or services. Interest is charged on the borrowed money if it is not paid back on time.

\_\_\_\_\_ allow you to borrow money for larger items, such as a car or house.

\_\_\_\_\_ is the price paid to use borrowed money, as well as what customers are paid for keeping their money in savings accounts.

Your Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, ZIP \_\_\_\_\_

Date \_\_\_\_\_

Pay to the Order of \_\_\_\_\_

\$  Dollars

Bank Address

FOR \_\_\_\_\_

:1220104481: 08218598664 502

Arrows: A points to the 'Pay to the Order of' line; B points to the 'Your Name' field; C points to the '502' written amount; D points to the numerical amount box; E points to the MICR line; F points to the signature line.

### 2. Referring to the check above, fill in the letter of each item below.

Check Number \_\_\_\_\_ Who the Check is Paid To \_\_\_\_\_ Signature Line \_\_\_\_\_

Numerical Amount \_\_\_\_\_ Written Amount \_\_\_\_\_ Account Number \_\_\_\_\_

## Lesson 4: Interest

**Interest:** the price people pay to use borrowed money. It is also what banks pay customers for keeping their money in savings accounts.

**The two things that affect interest are:**

The interest rate (a percentage of the money borrowed) and the length of the loan.

**1. Jill takes out a loan for \$15,000 to buy a car.  
If she pays back the loan over 24 months, she will pay  
\$662.50 per month including interest.**

- a. How much will she pay in interest by the time she repays the loan?
- b. If she pays back the loan over 36 months, she will pay \$455.00 per month. How much interest will she pay if she takes longer to repay the loan?

**2. Mike has worked very hard to save money.  
He now has \$1,000 and is trying to figure out what to do with it.**

Mike is considering 3 options:

Option	Interest Per Year	a. How much will Mike earn after 3 years?
Keep it hidden in his room	\$0	
Savings Account	\$25	
3 Year Certificate of Deposit (CD) (\$45 per year with a 3 year commitment)	\$45	

Which option should Mike choose if:

- b. He is going to need the money to purchase a new T.V. next week?
- c. He is saving this money for college in 4 years?
- d. He has no immediate plans for the money, but he wants to be able to use it if he needs it?

# Lesson 5: Stocks

## Vocabulary:

Stocks \* Share \* Shareholders  
Dividend \* Capital Gain \* Capital Loss

**Stocks:** a way of owning part of a business without having to work at the business.

**Share:** A single stock. When you own a share, you own a small piece of a company.

1. a. Dwyane purchases 200 shares of XYZ Company stock for \$15 / share.  
How much does Dwyane spend on his investment?

**Shareholders:** someone who owns shares of stock.

**Dividend:** payment made by a company to its shareholders. When a company makes a profit, they may pay their shareholders their portion of the profit.

2. a. After 1 year, XYZ pays its shareholders 40¢ per share in a dividend check.  
How much is Dwyane's dividend check?

## Stocks can also be sold.

When a company does well, it becomes more valuable.  
This can cause its share price to go up.

**Capital Gain:** The profit made when you sell a share of stock.

3. a. After 1 year, Dwyane decides to sell 100 shares at \$17 / share.  
How much do Dwyane's 100 shares sell for?  
b. What are Dwyane's capital gains for this sale?

## Stock prices can also fall.

**Capital Loss:** The money lost if you sell stocks for less than you paid for them.

4. a. After 2 years, XYZ shares drop to \$11 / share. Dwyane decides to sell his remaining 100 shares. How much do Dwyane's remaining 100 shares sell for?  
b. What are Dwyane's capital losses for this sale?