

# BUDGETING 101

Module 1: What is a budget?

**Objective:** Grasp the basic idea of what a budget is and how it fits into everyday decisions.

**Video:** "What is a budget"(<https://www.youtube.com/watch?v=HT-xa7Y7xps>)

- **Definition Simplified:** A budget is a written or digital plan that shows how you expect to earn and spend money over a period of time (week, month, year, etc.). This helps track how much money you have spare and allows you to avoid a majority of debt.



- **Core Concepts:**
  - Income = money coming in



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- Expenses = money going out



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- Savings = what's left or set aside



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- **Questions**
  - **Checkpoint Quiz:** Match terms (income, expense, savings) with examples (part-time job, investments, Netflix subscription, new headphones, emergency fund, long-term fund).
  - **Multiple choice questions:**

## SHUFFLE THESE:

### Income

- MCQ : Which of the following is *income*?
  - A. Paying rent
  - B. Receiving wages from your part-time job
  - C. Buying food
  - D. Paying tax
- MCQ: You earn \$60 mowing lawns, \$20 walking dogs, \$10 from an investment fund and you spend \$20 on food. What is your total income?
  - A. \$70
  - B. \$80
  - C. \$90
  - D. \$110

## Expenses

- MCQ: Which of these best describes an expense?
  - A. Money used to buy goods or services
  - B. Money you save for later
  - C. Money received as a gift
  - D. Money invested in shares
- Which of the following is an expense?
  - A. Paycheck
  - B. Money transferred to savings
  - C. Monthly phone bill
  - D. Interest earned on savings

## Savings

- MCQ: Savings are:
  - A. Money you borrow from others
  - B. Money kept aside for future goals
  - C. Money you spend on wants
  - D. Extra bills
- MCQ: You want to buy a \$120 jacket in 3 months. How much must you save per month(assuming no interest)?
  - A. \$30
  - B. \$40
  - C. \$50
  - D. \$60

Short answer question:

Describe one way you might manage your expenses?