

## A. Reading Comprehension Questions:

### 1. What are the key components of money management mentioned in the text?

- The key components are budgeting, saving, investing, and financial planning.

### 2. How does creating a budget help with money management?

- Creating a budget helps track income and expenses, ensuring spending aligns with financial goals. It helps identify unnecessary expenses and allocate funds toward priorities.

### 3. Why is saving money important?

- Saving money provides a safety net for emergencies, reduces reliance on credit or loans, and can be allocated for significant future expenses.

### 4. What is the difference between saving and investing?

- Saving involves keeping money in low-risk, low-interest accounts, while investing involves purchasing assets like stocks, bonds, or real estate to grow wealth over time.

## B. Multiple Choice Questions:

### 1. Which of the following is NOT a component of money management mentioned in the text?

- b) Spending lavishly

**2. Creating a budget helps to:**

- b) Track income and expenses

**3. Investing money can:**

- c) Help grow wealth over time

**4. Financial literacy is important because it:**

- c) Helps make informed money decisions

**C. Vocabulary Questions:**

**1. "Budgeting" refers to:**

- b) Planning and tracking income and expenses

**2. A "safety net" in financial terms means:**

- b) Emergency savings

**3. "Financial literacy" refers to:**

- b) Knowledge and skills to manage financial resources effectively

**4. "Debt" is:**

- b) Money owed to others

**5. "Expenses" refer to:**

- c) Money spent

**D. Fill in the blanks with the correct money-related idiom:**

1. When I saw the price of the new phone, I realized it would pay through the nose to buy it.
2. We had to tighten your belt after Dad lost his job to save money.
3. Because of their reckless spending, they are now struggling to make ends meet and pay their bills.
4. He's known as a penny-pincher because he never spends money unless absolutely necessary.
5. It's difficult for many families to make ends meet with rising living costs.

**E. Exercise:**

1. If you mix an acid with a base, the solution (neutralize) neutralizes.

2. If we apply more pressure to the gas, its volume (decrease) decreases, according to Boyle's law.
3. If scientists (discover) discovered a cure for cancer, millions of lives would be saved.
4. If Darwin (not publish) had not published his theory of evolution, we (not have) would not have the  
same understanding of biology today.
5. If the students (understand) had understood the principles of genetics, they (explain) would have  
explained the results of their experiment more accurately last week.