

**MONEY MANAGEMENT AND
CONSUMERISM MODULE
TEACHER'S RESOURCE PACKAGE**

MONEY MANAGEMENT AND CONSUMERISM TEACHER'S RESOURCE PACKAGE

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NAME: _____
CLASS: _____

MONEY MATTERS ... WHAT'S YOUR OPINION

Place a check in the space next to each statement to show whether you agree, disagree, or are undecided.

When you finish the questionnaire, discuss the statements which everyone in your group does not agree on. Then try to reword the statements so that the whole group does agree.

	Agree	Disagree	Undecided
1. It doesn't take much effort to manage money.	_____	_____	_____
2. Spending is no fun if I have to follow a budget.	_____	_____	_____
3. Needs and wants are the same thing.	_____	_____	_____
4. For me to feel secure and happy, I will need a large income.	_____	_____	_____
5. Knowing my goals helps me in spending money wisely.	_____	_____	_____
6. All family members should have a say about how to spend the family income.	_____	_____	_____
7. Families with high incomes do not need to manage money.	_____	_____	_____
8. Impulse buying is a good way to get the things you want.	_____	_____	_____
9. Parents should tell children how to spend their money.	_____	_____	_____
10. Money problems can cause difficulties in a marriage.	_____	_____	_____

	Agree	Disagree	Undecided
11. Young people should contribute some of their earnings to the family income.	—	—	—
12. Using credit can help raise a family's standard of living.	—	—	—
13. Couples should discuss their views about money before they get married.	—	—	—
14. Teenagers should not be told about family income and expenses.	—	—	—
15. Advertising is an important source of information for buyers.	—	—	—
16. High price means top quality.	—	—	—
17. Teenagers should have their own charge accounts.	—	—	—
18. Young people should tell their parents how to spend their money.	—	—	—

PROVERBS AND ADAGES ABOUT MONEY

1. "Mention money and the whole world goes silent." (German proverb)
2. "A heavy purse makes a light heart." (Irish proverb)
3. "When money is not a servant it is a master." (Italian proverb)
4. "Money makes money." (Chinese proverb)
5. "When money speaks, the truth is silent." (Russian proverb)
6. "Penny wise, pound foolish."
7. "When the wolf (poverty) comes to the door, love flies out the window."
8. "A penny saved is a penny earned." (English proverb)
9. "Money burns a hole in his pocket."
10. "Through saving comes having." (Scottish proverb)
11. "Borrow sparingly, save abundantly." (Arab proverb)
12. "Though you live near a forest, do not waste firewood." (Chinese proverb)
13. "Here today, gone tomorrow."
14. "Neither a borrower nor a lender be."
15. My riches consist not in the extent of my possessions but in the fewness of my wants.
J. Brotherton
16. Expenditures rise to meet income.
C. N. Parkinson

A FIFTY DOLLAR FIND

Sarah Murphy

On her way to work as a painter in her family's contracting business, Sarah finds a \$50.00 bill. With it, she buys new cover-alls and paintbrushes.

Manuel Salvador

On his way to work, Manuel Salvador finds a \$50.00 bill. At lunch time, Manuel deposits the money in his savings account at the credit union. When he returns to his job, he is scolded by his boss for being late.

John Chang

John Chang, who works as little as possible, finds a \$50.00 bill in an old coat pocket. He calls up his friend Bernadine at once. That evening they go out on the town and spend everything.

Sonya Nhatyshyn

Sonya Nhatyshyn, a poor university student, finds a \$50.00 bill between the pages of a book. She hurries to the grocery store and spends almost all of it on food.

NAME: _____
CLASS: _____

SPENDING MONEY

You are a consumer! Think about what you do with your money by completing the following statements. There are no right or wrong answers.

1. I really like to buy _____

2. I don't spend enough money on _____

3. When I'm "down in the dumps", I buy _____

4. When I'm happy, I buy _____

5. I would really like to have _____

6. Saving money is _____

7. Spending money is _____

8. If I had to cut back on my spending, I could _____

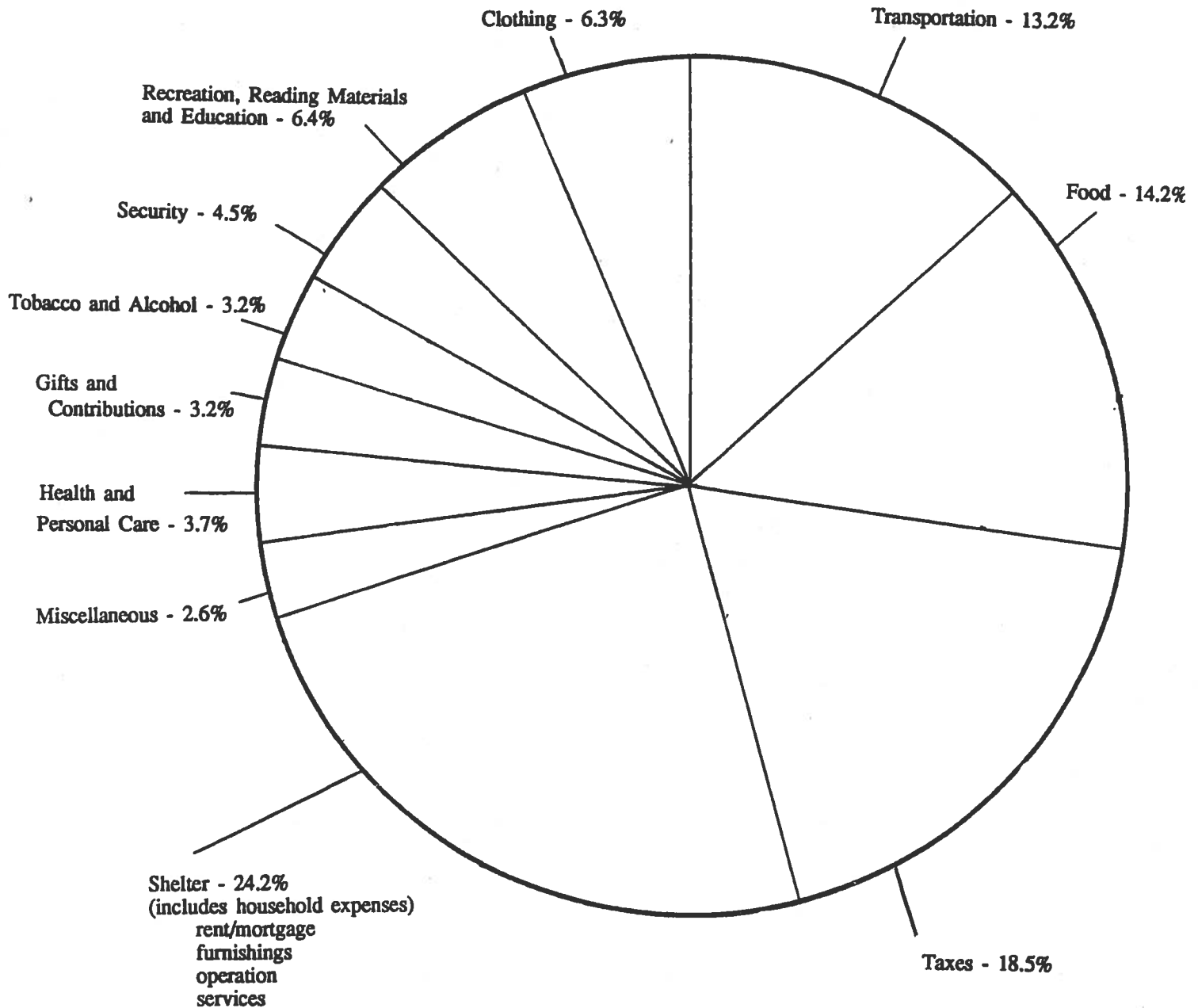
9. When it's on sale, I buy _____

10. I budget my money when _____

EXPENDITURES IN CANADIAN FAMILIES (1986)

Based on Statistics Canada information

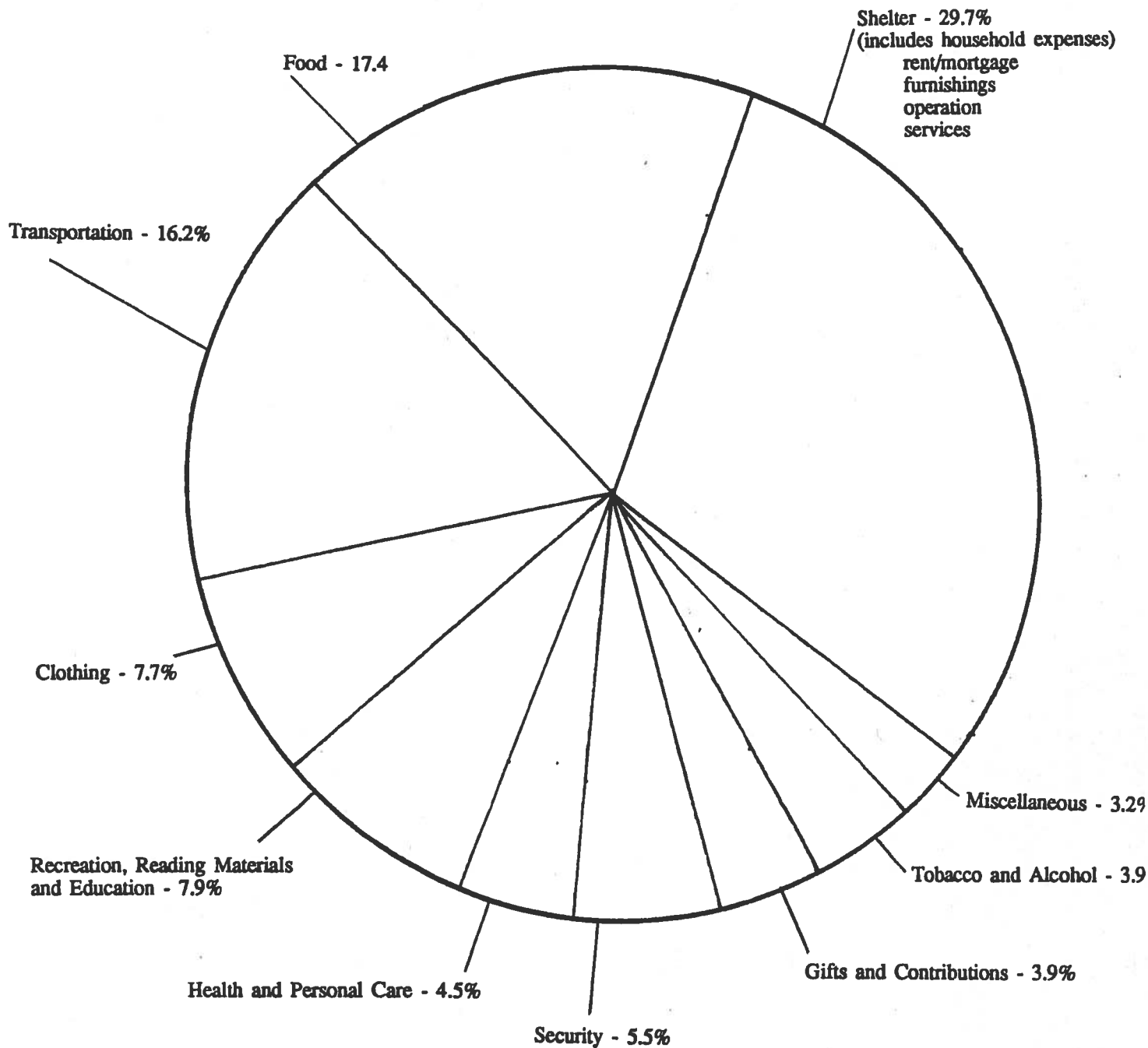
I. Gross Income: Canadian Average \$46,185
Newfoundland Average \$36,076



EXPENDITURES IN CANADIAN FAMILIES (1986)

Based on Statistics Canada information

II. Net Income: Canadian Average \$37,632 (Taxes \$8,553)
Newfoundland Average \$30,945 (Taxes \$5,131)



NAME: _____
CLASS: _____

HOUSEHOLD EXPENSES

1. Estimate how much your family spends on average each month for the items listed in the chart below. (If you know the weekly amount, remember to multiply by 4.) Circle the expenses that you think stay approximately the same each month and are essential.
2. Take this estimate sheet home and show it to your parents or guardian. Ask them to read the note to parents, then, to look at your estimates.

Note To Parents/Guardians:

This worksheet is designed to make your teenage more familiar with the costs of everyday living. Please do not make any changes to your teenager's estimates. However, please check (✓) to indicate whether each estimate is approximately correct, too high, or too low. This activity sheet is for home use only and is not to be returned.

Household Expenses For One Month

	Student Estimate	Too Low	Parent Check Correct	Too High
1. Rent/Mortgage	_____	___	___	___
2. Electricity	_____	___	___	___
3. Fuel (home heating, if applicable)	_____	___	___	___
4. Telephone	_____	___	___	___
5. Cable TV	_____	___	___	___
6. Food (include dining out)	_____	___	___	___
7. Automobile expenses (payments, gas, repairs)	_____	___	___	___

Student Estimate		Parent Check		
		Too Low	Correct	Too High
8. Insurance (life, home, car)	_____	_____	_____	_____
9. Recreation and Entertainment	_____	_____	_____	_____
10. Personal Care (hairecare, medication, etc)	_____	_____	_____	_____
11. Clothing	_____	_____	_____	_____
12. Pocket Money	_____	_____	_____	_____

To the Student:

Were you correct in your circling of 'fixed' expenses? _____

How many of your estimates were:

low? _____

just right? _____

high? _____

Are you surprised by any of the information you found out? _____

MAKING SENSE OF MONEY TERMS

Unscramble each word below to find the word that completes each statement. Then, search the puzzle to find and circle all the words.

1. A plan that matches your income with your expenses _____ GUTBED
2. When you owe money, you are in _____ DTBE
3. Money put aside for future spending _____ IGVSNAS
4. A term used for items marked down or on special _____ SALSE
5. Ideally, a budget helps you meet these _____ OLGAS
6. Usually, the largest expense for Canadian families is _____ REHTLSE
7. Managing money wisely requires this _____ ILSLK
8. The amount of money you have in your bank account or have borrowed in a loan transaction _____ ILPACRPIN
9. Something that is essential for survival _____ EDNE
10. The money you have coming in from work, investments, etc. _____ NCOEMI
11. Expenses that must be paid regularly are _____ expenses IDXFE
12. Canada's dollar coins _____ IONOSLE
13. The percentage of the principal that will be paid as interest is called the interest _____ AETR
14. Besides shelter, these three expenses use up much of a family's income _____, _____, _____ DOFO
TRINTOAPSTANRO
ITOG LCHN
15. Someone who purchases goods and services _____ MOUSCNRE
16. Something desired to make life more pleasant _____ ATWN
17. A medium of exchange with an agreed upon trading value _____ EOYMN

18. Use of future money for present day spending _____ ETRDCI
19. Expenses which don't stay the same _____ ELXFEIBL
20. A fee paid for the use of someone else's money _____ NTSETREI
21. A process of making and following a plan for using money,
evaluating the results, and making necessary changes when
needed _____ OYMNE AGENMTENMA
22. Money kept in a bank is usually in a savings or chequing
_____ OCTACUN
23. Giving up something you have or want in exchange for
something you want more _____ FERDTAFO
24. Canada's Savings _____ are a secure investment
for saving money OSBND
25. A budget is a _____ for using your money PNLA
26. Things you spend your money on are called your _____ XNSSEEPE
27. Human energy, time, and skills are _____ that
often can be used to earn or replace money SCROERESU

MAKING SENSE OF MONEY TERMS (TEACHER'S KEY)

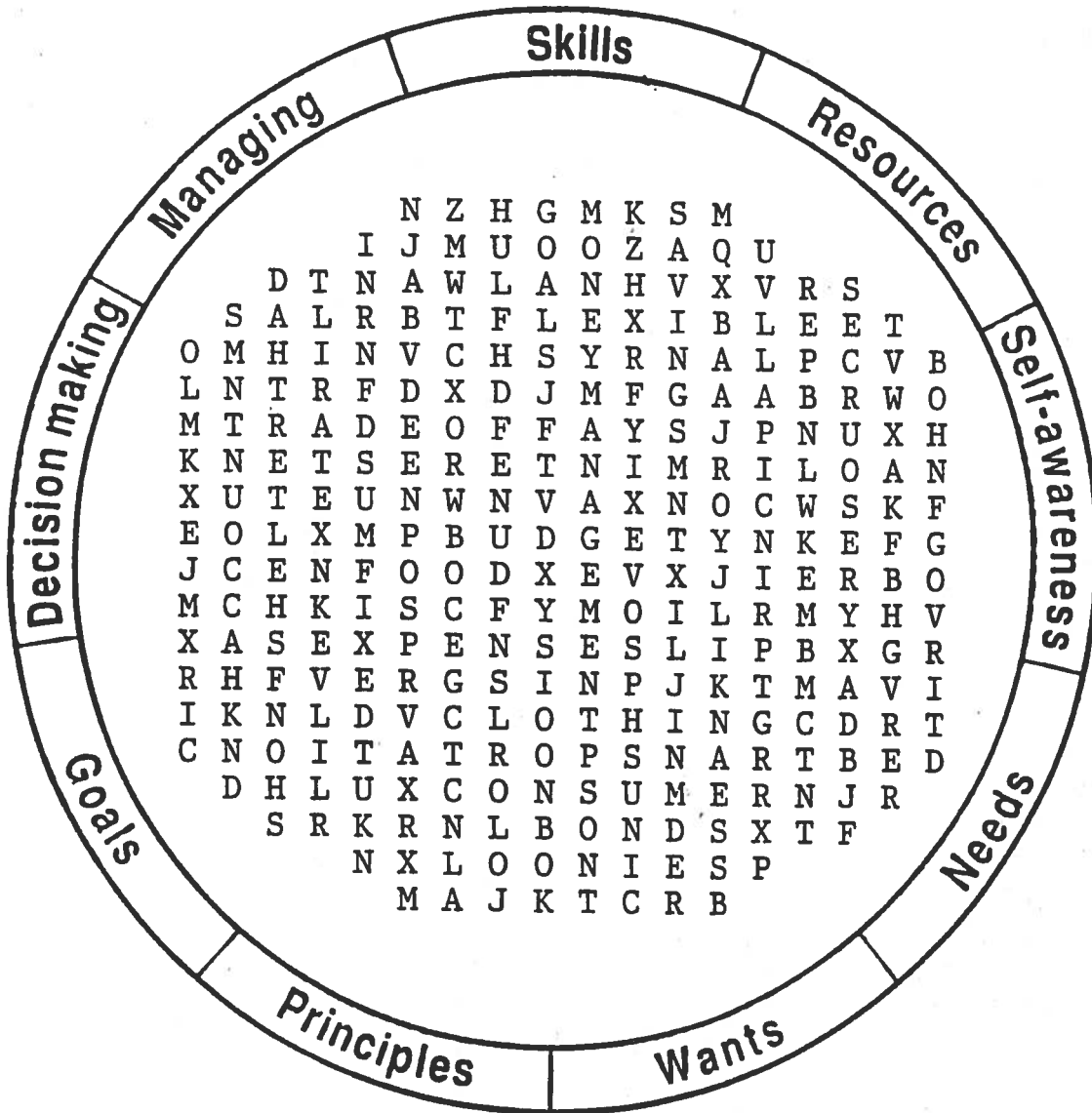
Unscramble each word below to find the word that completes each statement. Then, search the puzzle to find and circle all the words.

1. A plan that matches your income with your expenses _____ BUDGET
2. When you owe money, you are in _____ DEBT
3. Money put aside for future spending _____ SAVINGS
4. A term used for items marked down or on special _____ SALES
5. Ideally, a budget helps you meet these _____ GOALS
6. Usually, the largest expense for Canadian families is _____ SHELTER
7. Managing money wisely requires this _____ SKILL
8. The amount of money you have in your bank account or have borrowed in a loan transaction _____ PRINCIPAL
9. Something that is essential for survival _____ NEED
10. The money you have coming in from work, investments, etc. _____ INCOME
11. Expenses that must be paid regularly are _____ expenses FIXED
12. Canada's dollar coins _____ LOONIES
13. The percentage of the principal that will be paid as interest is called the interest _____ RATE
14. Besides shelter, these three expenses use up much of a family's income _____, _____, _____
FOOD
TRANSPORTATION
CLOTHING
15. Someone who purchases goods and services _____ CONSUMER
16. Something desired to make life more pleasant _____ WANT
17. A medium of exchange with an agreed upon trading value _____ MONEY

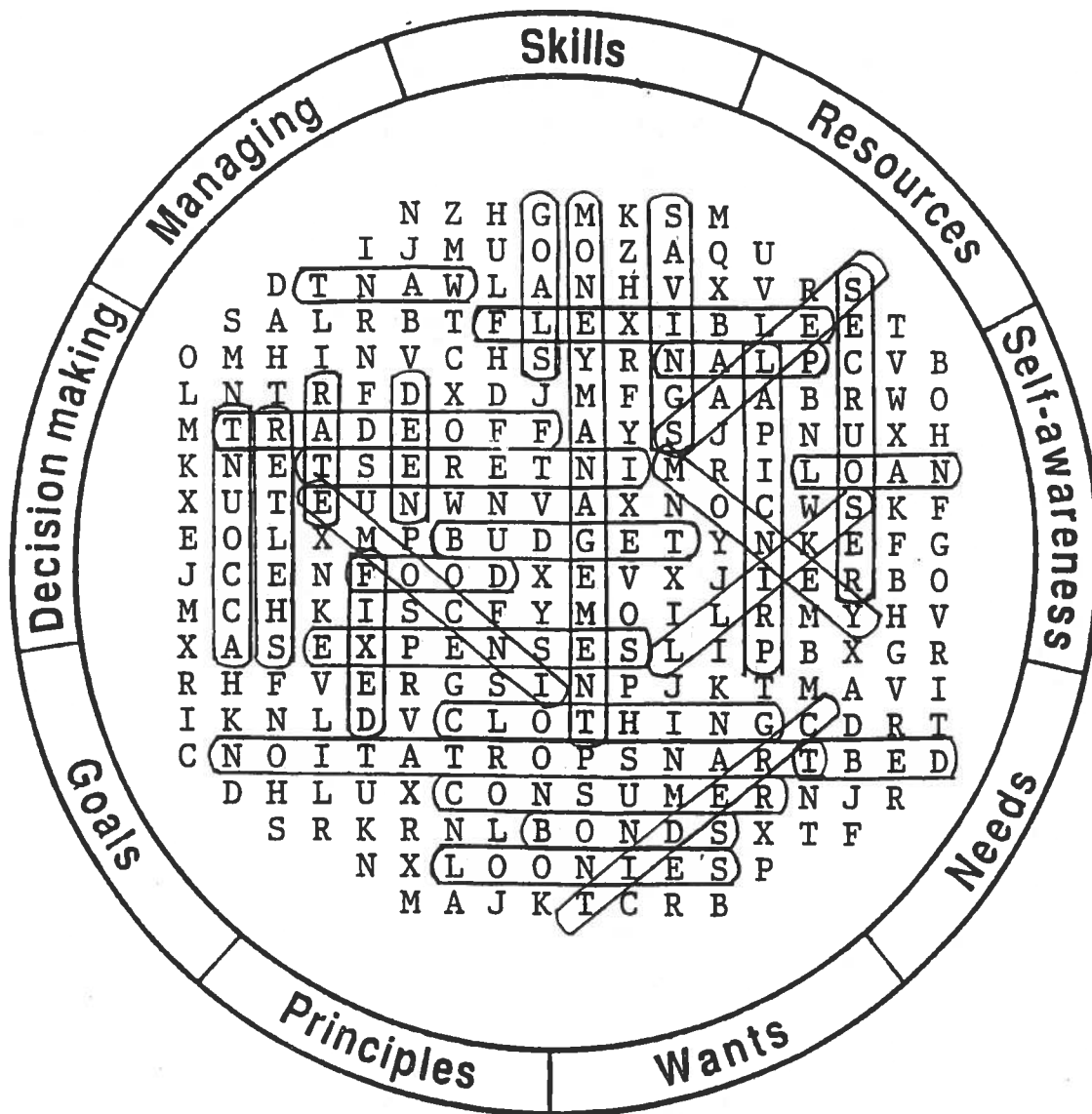
18. Use of future money for present day spending _____ CREDIT
19. Expenses which don't stay the same _____ FLEXIBLE
20. A fee paid for the use of someone else's money _____ INTEREST
21. A process of making and following a plan for using money, evaluating the results, and making necessary changes when needed _____ MONEY MANAGEMENT
22. Money kept in a bank is usually in a savings or chequing _____ ACCOUNT
23. Giving up something you have or want in exchange for something you want more _____ TRADEOFF
24. Canada's Savings _____ are a secure investment for saving money BONDS
25. A budget is a _____ for using your money PLAN
26. Things you spend your money on are called your _____ EXPENSES
27. Human energy, time, and skills are _____ that often can be used to earn or replace money RESOURCES

NAME: _____
CLASS: _____

MAKING SENSE OF MONEY TERMS



MAKING SENSE OF MONEY TERMS



NAME: _____
CLASS: _____

TAMARA'S FINANCES

Tamara, a 14 year old student, wants to manage her money better. Her parents suggest that she keep track of her expenses for the month, then make a spending plan.

At the end of each week in October, Tamara lists her income and expenses for the week. Her list is below.

Complete the steps Tamara would carry out to calculate her income and expenses for October.

The charts labelled "INCOME" and "EXPENSES" are provided for your use. List each item in chronological order in the correct chart. Be sure to accurately record the amount and the reason. Check each item off the list as you enter it on the chart.

When you have recorded all the information, add up Tamara's total income and total expenditures. Write this amount in the section provided in each chart.

Tamara's List of Income and Expenses for October:

1. bought 2 pairs of socks for \$10.00 on October 9
2. on October 2, borrowed \$8.00 from brother
3. babysat for Mr. and Mrs. Coleman, October 12 (earned \$10.00)
4. spent \$5.00 for a ticket to a hockey game, October 10
5. took bus (60¢) to the shopping mall, October 9
6. allowance (\$10.00) received, October 3, 10, 17, 24, 31
7. ate hamburger (\$3.50) after the movie on October 17
8. went to the movies with friends on October 17 (\$5.50)
9. bought calculator and a paperback novel on October 16 (\$18.50)

10. babysat after school, October 15 (\$10.00)
11. bought lunch at school, October 5 (\$2.50)
12. bought tape cassette, October 22 (\$13.50)
13. bought make-up and Halloween costume supplies, October 26 (\$15.00)
14. washed the family car for extra money, October 28 (\$4.00)
15. babysat for Ms. Parkinson on October 30 (\$12.00)
16. Mom treated for lunch at school, October 19 (\$3.00)
17. lunch at school, October 20 (\$2.75)
18. bought Halloween treats for brother and sister, October 29 (\$3.00)
19. had hair trimmed, October 25 (\$8.00)
20. returned \$8.00 borrowed from brother, October 30

NAME: _____
CLASS: _____

TAMARA'S FINANCES

A. INCOME (money received)

Date	Amount	Reason

Total Income: _____

NAME: _____
CLASS: _____

B. EXPENSES (money spent)

Date	Amount	Reason

Total Expenses: _____

1. What was Tamara's main source of income? _____
2. Where else did she get spending money? _____
3. How much did Tamara spend on each of the following during October?

Food	_____
Clothing	_____
Entertainment	_____
Personal Care	_____
School Supplies	_____
Miscellaneous	_____
Gifts	_____

NAME: _____
CLASS: _____

4. Did Tamara have any savings or surplus money? _____
If yes, how much? _____
5. Tamara's next step is to decide how to spend her money during the next month.
What income is she sure of? _____
What income varies? _____

Make up a budget plan for Tamara, using what you know about her income and expenses for October and making any changes you think are necessary.

TAMARA'S FINANCES (TEACHER'S KEY)

Income

October 2	\$ 8.00	borrowed
October 3	\$10.00	allowance
October 10	\$10.00	allowance
October 12	\$10.00	babysitting
October 15	\$10.00	babysitting
October 17	\$10.00	allowance
October 19	\$ 3.00	Mom's treat
October 24	\$10.00	allowance
October 28	\$ 4.00	washed car
October 30	\$12.00	babysat
October 31	\$10.00	allowance

Total Income: \$97.00

Expenses

October 5	\$ 2.50	lunch
October 9	\$ 0.60	bus fare
October 9	\$10.00	socks
October 10	\$ 5.00	hockey game
October 16	\$18.50	calculator and novel
October 17	\$ 3.50	hamburger
October 17	\$ 5.50	movie
October 20	\$ 2.75	lunch
October 22	\$13.50	tape cassette
October 25	\$ 8.00	hair trimmed
October 26	\$15.00	Halloween supplies
October 29	\$ 3.00	Halloween treats
October 30	\$ 8.00	returned \$8.00 to brother

Total Expenses: \$95.85

NAME: _____
CLASS: _____

MY PERSONAL FINANCES

- A. Keep a record of your income and expenses over a _____ time period. Note the date, the amount, and the reason each time money is received or spent.

Transfer your records to the chart below. Be sure to list information in chronological order.

When all information is recorded, add up your total income and your total expenses over the time period.

INCOME

Date	Amount Received	Reason

Total Income: _____

NAME: _____
CLASS: _____

EXPENSES

Date	Amount Spent	Reason

Total Expenses: _____

B. Refer to your records in Section A.

What income did you have? _____

How much of this is steady income? _____

Record how much you spent on:

Food	_____
Clothing	_____
Entertainment	_____
Personal Care	_____
School Supplies	_____
Miscellaneous	_____
Gifts	_____

Money Management and Consumerism

1.4c

Are you satisfied with your expenditures? _____

If not, what would you change? _____

How much did you save in the time you kept records? _____

Would you like to save more? _____

What is the advantage of having some money set aside? _____

A Personal Budget

In the space below, plan your spending for the next month, keeping in mind your spending and saving goals.

Planned Expenses

Food _____
Gifts _____
Savings _____
Miscellaneous _____

School Supplies _____
Clothing _____
Personal Care _____
Entertainment _____

Next, use new charts to record your income and expenses over this month. Be accurate.

When the month is over, total the amounts. Make changes as desired when you plan for the following month.

BANKING FORMS

BANK OF CANADA		Date
		Account Number
Branch		
Received from BANK OF CANADA		\$
		Dollars
Withdrawal All Savings Accounts	Signature (Please sign in front of Teller)	

_____ 19__	
PAY TO THE ORDER OF _____	\$ _____
_____ 100 DOLLARS	
BANK OF CANADA	
MEMO _____	
⑆00063⑈010⑆	

BANK OF CANADA		X 1		Cheques and Coupons (List on reverse if necessary)		
		X 2				
		X 5				
		X 10				
		X 20				
		X				
Date	Account Number	Coin				
Credit Account of		Total Cash				
		Signature for cash received (Please sign in front of Teller)				
Deposit all Personal Accounts at this Branch				Depositor's Initials		
				Sub Total		
				Less Cash Received		
				Net Deposit		

WHAT'S WRONG WITH THESE FORMS?

BANK OF CANADA		11	X 1	11	00	Cheques and Coupons (List on reverse if necessary)		
			X 2					
			X 5					
			X 10					
			X 20					
Date <i>September 9/90</i>	Account Number							
Credit Account of <i>Jack Gardner</i>			X					
		Coin			<i>4</i>	<i>29</i>		
		Total Cash						<i>15</i> <i>29</i>
Signature for cash received (Please sign in front of Teller) <i>Jack Gardner</i>						Sub Total		
						Less Cash Received		
Deposit all Personal Accounts at this Branch					Depositor's Initials <i>JG</i>	Net Deposit		

BANK OF CANADA		X 1				Cheques and Coupons (List on reverse if necessary)		
		X 2						
		X 5						
		X 10						
		5	X 20		<i>100</i>		<i>00</i>	
Date <i>November 9/87</i>	Account Number <i>78-425</i>							
Credit Account of <i>George Gibson</i>			X					
		Coin						<i>628</i> <i>87</i>
		Total Cash			<i>100</i>	<i>00</i>		<i>100</i> <i>00</i>
Signature for cash received (Please sign in front of Teller) <i>George Gibson</i>						Sub Total	<i>728</i> <i>87</i>	
						Less Cash Received	<i>408</i> <i>00</i>	
Deposit all Personal Accounts at this Branch					Depositor's Initials	Net Deposit	<i>320</i> <i>00</i>	

BANK OF CANADA		X 1				Cheques and Coupons (List on reverse if necessary)			
		X 2							
		5	X 5		<i>25</i>		<i>00</i>		
		1	X 10		<i>10</i>		<i>00</i>		
		3	X 20		<i>60</i>		<i>00</i>		
Date <i>May 20,</i>	Account Number <i>79240</i>								
Credit Account of <i>Jocelyn Armstrong</i>			X						
		Coin			<i>11</i>	<i>38</i>			
		Total Cash			<i>96</i>	<i>38</i>		<i>96</i> <i>38</i>	
Signature for cash received (Please sign in front of Teller) <i>Jocelyn Armstrong</i>						Sub Total			
						Less Cash Received			
Deposit all Personal Accounts at this Branch					Depositor's Initials <i>JA</i>	Net Deposit	<i>96</i> <i>38</i>		

WHAT'S WRONG WITH THESE FORMS?

BANK OF CANADA		Date <i>July 29, 1989</i>
		Account Number <i>21647</i>
Branch <i>Belleue</i>		
Received from BANK OF CANADA		\$
		<i>205.95</i> Dollars
Withdrawal All Savings Accounts	<i>Albert Strong</i> Signature (Please sign in front of Teller)	

BANK OF CANADA		Date
		Account Number <i>753-001</i>
Branch <i>New Haven</i>		
Received from BANK OF CANADA		\$ <i>249.08</i>
<i>Two hundred and nine</i>		<i>8/100</i> Dollars
Withdrawal All Savings Accounts	Signature (Please sign in front of Teller)	

BANK OF CANADA		Date <i>JULY 5, 1990</i>
		Account Number <i>417-824</i>
Branch <i>Bell's Cove</i>		
Received from BANK OF CANADA		\$ <i>75</i>
<i>Seventy-five</i>		Dollars
Withdrawal All Savings Accounts	<i>Joe Armstrong</i> Signature (Please sign in front of Teller)	

WHAT'S WRONG WITH THESE FORMS?

PAY TO THE ORDER OF Sandy Purcell May 4 1988 \$ 45⁰⁰/₁₀₀
Forty-five 00 DOLLARS
BANK OF CANADA
MEMO babysitting services Chris Jackman

PAY TO THE ORDER OF Best Food Grocery Sep 20 1987 \$ 89.92
Eighty-two and 29 100 DOLLARS
BANK OF CANADA
MEMO groceries John Stevens
⑆00063⑆010⑆

PAY TO THE ORDER OF Jo Anne Foster Dec 30 1984 \$ 21⁰⁰/₁₀₀
Twenty-one and 00 100 DOLLARS
BANK OF CANADA
MEMO used books Carit Grant

TEACHER'S KEY

WHAT'S WRONG WITH THESE FORMS?

BANK OF CANADA		<input checked="" type="checkbox"/> X 1	<input type="checkbox"/> 11	<input type="checkbox"/> 00	Cheques and Coupons (list on reverse if necessary)	
		<input type="checkbox"/> X 2				
		<input type="checkbox"/> X 5				
Date	Account Number	<input type="checkbox"/> X 10				
September 9/90		<input type="checkbox"/> X 20				
Credit Account of		<input type="checkbox"/> X				
Jack Gardner		Coin		4 29		
		Total Cash				15 29
Signature for cash received (Please sign in front of Teller)					Sub Total	
Jack Gardner					Less Cash Received	
Deposit all Personal Accounts at this Branch					Net Deposit	
					Depositor's Initials	py.

- account number is missing
- depositor's initial incorrect
- sub-total absent
- net deposit absent

BANK OF CANADA		<input type="checkbox"/> X 1			Cheques and Coupons (list on reverse if necessary)	210 45
		<input type="checkbox"/> X 2				76 92
		<input type="checkbox"/> X 5				341 50
Date	Account Number	<input type="checkbox"/> X 10				
November 9/87	78-425	5 X 20	100 00			
Credit Account of		<input type="checkbox"/> X				
George Gibson		Coin				628 87
		Total Cash	100 00			100 00
Signature for cash received (Please sign in front of Teller)					Sub Total	728 87
George Gibson					Less Cash Received	408 00
Deposit all Personal Accounts at this Branch					Net Deposit	320 00
					Depositor's Initials	

- name not clearly entered in "Credit account of"
- cheques sub-totalled in wrong section
- net deposit is incorrect
- depositor's initials absent

BANK OF CANADA		<input type="checkbox"/> X 1			Cheques and Coupons (list on reverse if necessary)	
		<input type="checkbox"/> X 2				
		5 X 5	25 00			
Date	Account Number	1 X 10	10 00			
May 20,	79240	3 X 20	60 00			
Credit Account of		<input type="checkbox"/> X				
Jocelyn Armstrong		Coin	11 38			
		Total Cash	96 38			96 38
Signature for cash received (Please sign in front of Teller)					Sub Total	
Jocelyn Armstrong					Less Cash Received	
Deposit all Personal Accounts at this Branch					Net Deposit	96 38
					Depositor's Initials	ja

- year is missing from date section
- total cash amount is incorrect
- sub-total missing
- net deposit incorrect

TEACHER'S KEY

WHAT'S WRONG WITH THESE FORMS?

BANK OF CANADA		Date <u>July 29, 1989</u>
Branch <u>Belleue</u>		Account Number <u>21647</u>
Received from <u>BANK OF CANADA</u>		\$ <u>205.95</u> Dollars
Withdrawal All Savings Accounts	Signature (Please sign in front of Teller) <u>Albert Strong</u>	

This form may be used to transfer funds within the Branch to any other Account

- numerical amount missing / in wrong position
- amount in words is missing

BANK OF CANADA		Date
Branch <u>New Haven</u>		Account Number <u>753-001</u>
Received from <u>BANK OF CANADA</u>		\$ <u>249.08</u>
<u>Two hundred and nine</u>		¢/100 Dollars
Withdrawal All Savings Accounts	Signature (Please sign in front of Teller)	

This form may be used to transfer funds within the Branch to any other Account

- date missing
- numerical and written amounts do not coincide
- cents should be written as 08/100
- signature missing

BANK OF CANADA		Date <u>JULY 5, 1990</u>
Branch <u>Bell's Cove</u>		Account Number <u>417-824</u>
Received from <u>BANK OF CANADA</u>		\$ <u>75</u>
<u>Seventy-five</u>		Dollars
Withdrawal All Savings Accounts	Signature (Please sign in front of Teller) <u>Joe Armstrong</u>	

This form may be used to transfer funds within the Branch to any other Account

- cents section is missing in the numerical amount (correct form \$75.00)
- written amount should begin at left margin
- written amount should be followed by a line
- cents section should be indicated ($\frac{xx}{00}$)

TEACHER'S KEY

WHAT'S WRONG WITH THESE FORMS?

PAY TO THE ORDER OF Sandy Purcell May 4 1988 \$ 45.00
Forty-five 00 DOLLARS
 BANK OF CANADA
 MEMO babysitting services Chris Jackson

- follow "Purcell" with a line to the dollar sign
- "00" should be $\frac{XX}{100}$
- amount in writing should begin at left margin
- follow amount in writing with a line to the cents value.

PAY TO THE ORDER OF Best Food Grocery Sept 20 1987 \$ 89.92
Eighty-two and 29 DOLLARS
 BANK OF CANADA
 MEMO groceries John Stevens
 100006300101

- follow grocery with a line to the dollar sign
- numerical and worded amounts should coincide

PAY TO THE ORDER OF Jo Anne Foster Dec 30 1984 \$ 21.00
Twenty-one and 00 DOLLARS
 BANK OF CANADA
 MEMO hand books Janet Grant

- this cheque is correctly written; however, the "and" following 'twenty-one' is not necessary

NAME: _____
CLASS: _____

SAVINGS: LET YOUR MONEY EARN MONEY

Savings that are kept in a savings account earn interest.

On savings accounts in banks, credit unions, or other financial institutions, interest may be paid semi-annually, quarterly, monthly, or daily.

You can easily calculate the interest paid on the money in a savings account.

The interest earned	=	principal (amount you have in your account)	x	rate (interest rate)	x	time (time period in years)
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This equation is often shown as:

$$i = p \times r \times t$$

Example:

If Joanne has \$75.00 in the bank, earning 6% interest paid semi-annually, how much interest would be earned in six months?

$$i = p \times r \times t$$

$$i = \$75 \times 6/100 \times 1/2$$

$$i = \$75 \times .06 \times 1/2$$

The interest = \$2.25

Calculate the interest earned in each example below. Show your calculations in reaching your answers.

1. Les has a small paper route and loves to spend money. However, he has decided to try to save by making deposits in a savings account. At the end of January, Les deposits \$100 in the credit union. It will earn 7% interest, paid quarterly. Calculate the amount of interest Les's money will earn in 3 months.

2. (i) Louise had a part-time babysitting job last summer and deposited \$200 in a new savings account at the end of August. It earns 6.5% interest semi-annually. How much interest will Louise's \$200 have earned when six months have passed?
- (ii) If Louise leaves the \$200 and the interest it earned in the account, how much money will be in the account?
- _____
- (iii) If Louise leaves the money from (ii) in the account for six more months, how much additional interest will it earn?
- (iv) How much interest will Louise's \$200 have earned over a twelve month period?
- _____
- (v) If Louise makes no deposits or withdrawals in the twelve month period, what will be the balance in her account? _____

To Discuss in Class:

Do interest rates change?

How can the timing of deposits and withdrawals affect interest earned?

NAME: _____
DATE: _____

CREDIT: FRIEND OR FOE?

The case studies below describe several situations where someone might decide to use credit. Read each story. Beside it write your decision about using credit for that situation. Explain why the advantages outweigh the disadvantages for "yes" decisions. For "no" decisions, explain why the disadvantages outweigh the advantages.

1. A family member is ill and needs to travel to a distant hospital for an operation. Your family has no money available to pay the expenses of someone to travel with him.
2. Your two best friends are planning a terrific vacation in Bermuda. You have no money saved, but would hate to miss the chance to go.
3. It's your Mom and Dad's twenty-fifth anniversary. You have no money but want to show them a good time at an expensive restaurant. You could use your charge card.
4. You've been attending a trade school away from home for two years and have a good job opportunity waiting in your home town when you graduate next year. However, in spite of summer earnings, you're short \$1000 of what you need for tuition, books and living expenses.
5. Your neighbours have brought a new recreational vehicle and plan to travel across North America. You have a large mortgage payment and are unable to spend money for vacations. An R-V would give you a chance to travel too.

[illegible]

NAME: _____
CLASS: _____

THE COST OF CREDIT

Credit charges are usually stated as a percentage (e.g. interest 18.5% annually). However, it helps to know the dollar cost of credit. Then the borrower can make a better decision about whether using credit is worthwhile.

Calculate the **dollar cost** of using credit in each situation below. Show your work. To find the **dollar cost** of a loan, subtract the amount borrowed from the total amount repaid.

Example: John borrowed \$200.00 and repaid it in 18 months, at \$14.70 per month.

	14.70	
	x 18 months	
Total paid		264.60
Amount borrowed		<u>200.00</u>
Dollar cost of borrowing	64.60	

For You To Calculate:

1. Sally and Ken borrowed \$800.00 to pay for wedding pictures. They will repay the loan over 12 months, at \$78.70 per month.

Total repaid	_____
Amount borrowed	_____
Dollar cost of borrowing	_____

2. Albert purchased ski equipment for \$500.00. He paid \$200.00 down and borrowed the remainder. He will repay the loan in 6 months at \$55.25 per month.

What is the dollar cost of borrowing?

How much did Albert spend altogether for the \$500.00 worth of ski equipment?

3. Janet purchased \$1500.00 worth of china, cutlery, pots and pans, from a home-to-home salesperson. She paid \$100.00 as a deposit, and agreed to pay the rest over 24 months at payments of \$77.00 per month.

What is the dollar cost of borrowing the \$1400.00?

How much did Janet spend for the housewares?

TEACHER'S KEY

THE COST OF CREDIT

1. Sally and Ken: wedding pictures
\$ 78.70 monthly payment
 12 months
Total amount paid \$944.40
Amount borrowed \$800.00
Dollar cost of \$144.40
 borrowing

2. Albert: ski equipment
\$ 55.25 monthly payment
 6 months
Total amount paid \$331.50
Amount borrowed \$300.00
Dollar cost of \$ 31.50
 borrowing

Total cost of Albert's ski equipment = \$531.50

3. Janet: china, cutlery, pots and pans
\$ 77.00 monthly payments
 24 months
Total amount paid \$1848.00
Amount borrowed \$1400.00
Dollar cost of \$ 448.00
 borrowing

Total cost of Janet's housewares = \$1948.00

NAME: _____
 CLASS: _____

ADVERTISEMENTS: THEIR MESSAGES

Product Advertised	Selling Techniques	Factual Information Provided	
*Rating Guide: + means correct and/or useful information o means no useful information - means incorrect or misleading information		Money Management and Consumerism 2.1b	

THE SHOP AND SAVE CALENDAR

At certain times of the year, it is common for particular types of merchandise to be on sale. These sales are opportunities for significant savings. The chart below provides a general guide to times when some sales occur.

January bicycles blankets Christmas items home appliances furniture jewellery linens toys winter clothes	February bedding curtains furniture radios men's shirts silverware toys	March winter sports equipment (skates, ski equipment) washers, driers
April housecoats stoves washers, driers women's and children's coats	May blankets purses rugs, carpets towels and linens TV sets	June building materials furniture summer clothes and fabrics
July bathing suits home appliances rugs, carpets sportswear and equipment summer clothes and fabrics men's shirts	August air conditioners bedding bicycles camping equipment cars (new) gardening equipment hardware paint school clothes	September auto accessories bicycles children's clothes china dishes lamps
October bicycles fishing equipment school clothes silver	November bicycles blankets cars (used) children's clothing dresses men's clothes stoves shoes	December party items women's and children's coats shoes
<p style="text-align: right;">Money Management and Consumerism 2.2c</p>		

NAME: _____
CLASS: _____

BARGAIN HUNTERS

Items often go on sale when the demand goes down. If you wait for items to go on sale, you may get what you need at lower cost. Sometimes you may get better quality for the money you are able to spend.

A. Use the "Shop and Save Calender" to suggest a time in the year when you may get the item listed at a saving.

● ski equipment _____		
● summer clothes and fabrics _____	● bicycles _____	
_____	● curtains _____	
_____ ● toys _____	● blankets _____	
_____	● gardening equipment _____	
_____ ● washers and dryers _____	● rugs _____	
_____	● fishing equipment _____	

B. List some advantages of purchasing items on sale.

_____ What

disadvantages are there to purchasing items on sale?

NAME: _____
CLASS: _____

COMPARISON SHOPPING

It is often worthwhile to comparison shop. This is especially true for expensive purchases.

Decide on one major item you would like to buy. Some suggestions are: stereo, bicycle, television, computer, ski equipment, skateboard.

Use businesses in your area, and catalogues, if appropriate, to comparison shop. Find and compare the features of at least **three** different examples for the item you choose.

Record the information in the chart provided or on separate notepaper using the same headings.

Item shopped for _____

When you have completed the chart, answer the following:

Which item would you buy?

For what reasons did you select this item over the others?

Business Supplier	Brand Name	Product Features	Cost	Added Charges	Warranty/Guarantee Information	Store Reputation

REASON FOR COMPLAINT

Situation #1:

Amanda Jones wishes to return a pair of ladies flannelette pyjamas. She paid \$16.95 plus tax for them last Thursday. Her daughter wore them three days. Then Amanda noticed two tears high on the sleeve. A closer look showed that the fabric in that area was flawed. Amanda takes the washed pyjamas and the sales slip back to the store.

Situation #2:

John and Christine Tucker have just bought a new bicycle for their son, Michael, age 9. He has used it twice, and has noticed that the bike tends to veer to the right even when he tries to steer straight ahead. Also, his best friend next door, Alexander, has a new bike that Michael likes better. He persuades his parents that they should return his bike for a refund, and buy him a bike like Alexander's at another store.

Situation #3:

Michelle recently moved into her own apartment and was excited about having her own home. She had little furniture. Several weeks ago, she was easily tempted when a big furniture warehouse advertised enormous savings on suites of furniture, with no payment for sixty days. As a result, using credit, she purchased two love seats, a chair, and a set of tables for her new apartment.

The date for the first payment is rapidly approaching. Michelle realizes that she cannot afford to pay for the furniture. She does not want to default on the payment, as this will probably affect her credit rating. She decides to ask the store to take the furniture back.

Situation #4:

Almost a year ago, Joel and Karla, a middle-aged couple, bought their first new car. They were pleased to finally be in a financial position that allowed them the luxury of purchasing a new, rather than a used, car.

For three months, they had no problems with the car. Then it seemed that every month or two, something went wrong. So far these major repairs have been covered by the service and parts warranty. However, both Joel and Karla think they have a "lemon" and are concerned about the road-worthiness of their car. They want the dealer to take back the car they received and replace it with a more reliable one.

Money Management and Consumerism
2.5b