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## Lesson Plan Three - Budget Calculation

### Introduction

In lesson three students will put their budget together. Students will put their items, cost and unit (amount) of their items in the 'Need' VS 'Want' template and identify and describe if the item is a need or a want. They will calculate the entire list compared to their budget.

Secondly, they will calculate the amount in the needs list. Once they have completed this students will compare the total of each list and compare the difference in cost. This will allow students to then pick off items if they are too expensive or swap out for less expensive items. Students can use the Brain Busters justification template to discuss why they have picked this item in their budget.

They will finalise their budget and items to have a complete list for their quiz. Students will share and compare their budgets with other groups and discuss the choices they have made on their final budget.



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## Learning Outcomes:

- Calculate items by cost and unit in relation to a budget.
- Identify cost difference between items.
- Justify swapping items for cost effective outcomes.
- Discuss choices made in relation to their budget.

## Success Criteria:

### *I can:*

- Identify the value of each item needed and how many are required.
- Compare costs over a range of resources.
- Select the most cost effective choices of items by researching multiple sources.
- Create a budget for a specific purpose.

## Financial Capabilities Progression:

### **Level 3**

- Create a simple budget for an activity or event, prioritising 'need' and 'want'.
- Use simple money management tools to monitor a given budget, e.g. a spreadsheet.
- Investigate different ways to get value for money when spending.
- Describe the purpose of money, e.g. paying for goods, services.

### **Level 4**

- Describe different ways to get value for money when spending.
- Create a budget for a specific activity and timeframe.
- Use money management tools, including online, to monitor a budget
- Discuss external factors that can affect peoples' financial choices, e.g. advertising, peer pressure.
- Compare different ways of paying and receiving payment for goods and services, e.g. debit cards.



## Key Vocabulary:

**Managing Money** - Managing money is about tracking your money coming in (income) and going out (expenses). It's about making good choices around planning how you use your money. A budget is a tool you can use to manage your money.

**Expenses** - The money that you pay for the things you need. Some examples are rent, food, power and internet services. Debt is also an expense. Some examples are mortgage payments, student loans and credit card fees.

**Expenditure** - When you spend money, and the amount of money spent.

**Values** - What a person or a group believes in and what's important to you

**Budget** - A tool to help you manage your income and expenses and save money. It shows how much money a person has coming in (income) and going out (expenses) over a period of time.

**Surplus** - This is the money that you have left over after paying your living costs, expenses and debts.

**Deficit** - When your living costs, expenses and debts are more than the amount you earn (your income), the extra money you need to find to pay your bills is called the deficit.

## Resources needed:

- Brain Busters 'Need' VS 'Want' resource
- Brain Busters item justification resource
- Resources from previous lessons
- Digital devices
- Calculator



## Teacher Starter:

For this starter teachers can work through the process of justifying a choice. What are the variables and reasons for picking a particular item? Discuss these ideas with students so that they can make more cost effective decisions based around their budgets. These questions could be written on the board as discussion points.

- How important is the item
- Is it cheaper to buy multiple or single
- Is it an item that can be swapped out for something else
- Have you considered various sources for different prices
- What is your reason for keeping this item in relation to your quiz

## Activity:

Now you decide! With your calculated budgets in hand it is now up to you to pick those important items. Remember, your items must be within your \$1000 budget. Each item you pick must be identified as a 'Need' or 'Want' and you must be able to justify why you have picked that item for your quiz. There are a few things to consider when you make those choices, not just money, so make sure your choices are inclusive. Spend wisely! If you have some money left over you will need to discuss with your group about how you will use that.

- **List** your items in the Brain Busters spreadsheet
- **Investigate** alternative items if needed
- **Analyse** the importance of each item you have picked in your group
- **Justify** your choices of items for your quiz
- **Explain** your choices and your budget with another group of four

## Things to consider:

- Is this item going to add anything to your quiz? i.e. - Does it have a purpose?  
Or is it for show?
- Can everyone use it? If not - what is your alternative?
- Have you thought about food allergies/preferences?
- Can you get multiple items for the same cost as one item?
- If the prize is money, how does that factor into your budget?



## **People participate in quiz shows for a variety of reasons which may be:**

- Winning money for themselves (holiday, saving, spending)
- Raising money for charity - this will sometimes include celebrities
- To challenge their knowledge or physical endurance/strength
- Experience being on TV for their family and friends to watch

## **Ideally, a quiz show should be:**

- Inclusive
- On TV at a watchable hour
- Accessible across multiple platforms and devices
- Engaging for a wide age range - you should be able to play as a family when you are watching it on TV
- Up to date with current questions relevant to the world around you
- An interactive element if possible
- A lot of fun!

