Year 5 PSHE Assessment: Mastering Money

Learning objective: To demonstrate understanding of financial choices, the difference between needs and wants, and the impact of spending decisions.

Read each question carefully. Use your knowledge of financial responsibility to provide thoughtful, well-reasoned answers. Max, our maths-loving monkey, reminds you to show your working out where necessary!

Max the monkey is planning a community garden project. He has a budget of £50 to buy seeds, tools, and fertiliser. He also wants to buy a decorative statue for the garden, but he knows he must prioritise the essential items that help the plants grow. Meanwhile, Zara the zebra is saving her pocket money to buy art supplies to paint a mural on the garden wall. She carefully tracks her income and expenditure to ensure she reaches her goal.

Word bank: budget · needs · wants · value for money · savings · interest · charity · income · expenditure

1. Define the difference between a 'need' and a 'want'. Give one example of each for Max’s garden project. (2 marks)

2. Max finds a bag of compost for £4.50. Another shop sells the same weight for £3.75. Explain why Max should consider the 'value for money' before making his purchase. (2 marks)

3. Zara earns £2.00 a week for helping around the house. If she saves half of her money every week, how long will it take her to save enough for a set of paints that costs £12.00? Show your working. (3 marks)

4. Explain why it is important for someone to keep a record of their income and expenditure. How does this help with long-term goals? (4 marks)

5. Justify why some people choose to donate a portion of their money to charity even when they have their own items they would like to purchase. (4 marks)

6. What might happen if a person decides to spend all their money on 'wants' without considering their 'needs'? Discuss the potential consequences. (3 marks)

7. Extended Writing: Imagine you have been given £100 to improve your local community. Write a plan detailing how you would spend this money. You must explain your choices, justify your spending, and show how you are balancing needs and wants to benefit others. (Total: 7 marks for content, structure, and reasoning) (7 marks)

Draw: Draw a 'Financial Goal Tree'. On the roots, write things you need to save for (essential), and on the branches, draw or write things you want to save for (aspirational).

Extension challenge: Total: /25. Challenge: Investigate the concept of 'interest'. If you put £100 in a bank account that pays 5% interest per year, how much money would you have after one year? Explain why banks pay interest to their customers.