Mastering Money: Financial Responsibility with Max and Kit

Learning objective: To understand the difference between needs and wants, the importance of budgeting, and how to make informed financial decisions.

Read each flashcard carefully. Max the monkey has provided the definitions to help you solve these financial puzzles, while Kit the fox has added some tricky extension questions to test your critical thinking.

Needs	**Wants**
The essential items required for survival and health, such as food, water, clothing, and shelter.	Items or experiences that we desire but are not essential for survival, such as toys, cinema tickets, or video games.
Budget	**Income**
A plan that outlines your expected income and planned expenditure over a specific period.	The money that a person receives, often through work, pocket money, or birthday gifts.
Expenditure	**Savings**
The total amount of money spent on goods or services.	The portion of income that is not spent, often kept in a bank account for future use or emergencies.
Interest	**Value for money**
A small amount of money paid by a bank to a customer for keeping their savings in an account.	Judging whether the quality and usefulness of an item justifies its price in £.
What is the primary difference between a 'Need' and a 'Want'?	**Explain why it is important to track your expenditure.**
A 'Need' is an essential requirement for life, whereas a 'Want' is a preference or luxury that improves quality of life but is not vital.	Tracking expenditure helps you see where your money goes, ensures you do not spend more than your income, and helps you identify areas where you can save money.
Compare and contrast: Why might someone choose to save money rather than spend it on a 'Want' immediately?	**Justify your answer: If you have £10.00, why is it considered a 'wise financial decision' to research products before purchasing?**
Saving allows for the accumulation of money for larger, more expensive future goals, whereas immediate spending provides instant gratification but leaves no resources for later needs.	Researching ensures you find the best value for money, preventing you from overpaying for items that might be of poor quality or cheaper elsewhere.