Year 5 PSHE Assessment: Understanding Money and Financial Choices

Learning objective: To demonstrate an understanding of how to manage money, the difference between needs and wants, and the impact of financial decision-making.

Read each question carefully before writing your answer. Ensure your responses are clear and reflect your understanding of responsible money management. Use full sentences where required.

Max the monkey has been saving his pocket money for three months. He has collected £15.00 in his piggy bank. He wants to buy a shiny new set of juggling balls for £12.00, but he also needs to pay £5.00 for his school trip to the local nature reserve next week. Max is thinking about how to manage his money wisely.

Word bank: Budget · Income · Needs · Wants · Savings · Value · Prioritise · Charity

1. Using the passage above, explain the difference between Max's 'need' and his 'want'. (2 marks)

2. Max only has £15.00, but his items cost £17.00 in total. Based on his situation, what is one piece of advice you would give Max regarding his spending? (2 marks)

3. Define the term 'budget' and explain why it is a useful tool for children and adults to use. (4 marks)

4. List two ways that a person might earn money (income). (2 marks)

5. Explain why it is important to save money rather than spending all of your income at once. (3 marks)

6. Sometimes people choose to donate money to charity. Why might someone decide to give their money away instead of buying something for themselves? (4 marks)

7. Max decides to delay buying the juggling balls to ensure he can go on his school trip. Write a short reflection (approx. 75-100 words) on why planning and patience are essential skills when managing money. Consider what might happen if someone spends money without planning. (8 marks)

Draw: Draw a pie chart showing how you might choose to divide £10.00 of pocket money. Label your sections: 'Savings', 'Needs', 'Wants', and 'Donations'.

Extension challenge: Total: /25