Asha’s Spending Plan

Read how a budget guides spending and saving.

SS7E10.b “Understand that a budget is a tool to plan the spending and saving of income.”

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each category where Asha plans to spend or save income, circle its rupee amount, and put a 1 beside the money not assigned to a category.

A Budget in Bengaluru

1 In Bengaluru, India, Asha earns 1,200 rupees each month by helping at her aunt’s weekend food stall. She wants to use her income wisely instead of spending it as soon as she receives it. Asha writes a budget, a plan for where her income will go. Her plan lists 300 rupees for bus rides, 250 rupees for school supplies and phone data, 200 rupees for snacks, and 250 rupees for savings. That adds to 1,000 rupees, leaving 200 rupees unplanned.

2 Before buying a music download for 180 rupees, Asha checks her budget. She can assign the 200 unplanned rupees to the download and still meet every amount already listed. If she buys it without using those unplanned rupees, she would need to reduce another category. A budget helps Asha compare a choice with her plan before she spends. It also helps her protect her savings goal, because savings is included as a planned use of income, not simply money left over.

3 At the end of the month, Asha records what happened. Bus rides cost 280 rupees, school supplies and phone data cost 260 rupees, snacks cost 220 rupees, and she put 250 rupees into savings. Her total spending and saving was 1,010 rupees. The total is 10 rupees more than her original plan. Next month, she could raise the school-and-data amount, lower the snack amount, or use part of her unplanned money to make a revised budget.

2 ANSWER WITH EVIDENCE

Use the passage

1. How much of Asha's income did her original budget assign to categories, and how much was left unplanned?

2. How does checking her budget help Asha decide whether to buy the music download?

3. Name two categories in which Asha's actual amount differed from her original budget. State how much each amount changed.

4. Why does Asha include savings in her budget instead of waiting to save whatever money is left over?

3 YOUR TURN

Your own words

Imagine you receive 1,500 rupees in one month. Fill in the table with five budget categories, including savings, so your planned amounts add to exactly 1,500 rupees. Give a brief reason for each choice.

CATEGORY	PLANNED RUPEES	REASON FOR THIS PLAN

Asha's Spending Plan

PART 1 · READ AND MARK

Underline each category where Asha plans to spend or save income, circle its rupee amount, and put a 1 beside the money not assigned to a category. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How much of Asha's income did her original budget assign to categories, and how much was left unplanned?	**Her budget assigned 1,000 rupees to categories and left 200 rupees unplanned.**
2	How does checking her budget help Asha decide whether to buy the music download?	**She can use the 200 unplanned rupees for the 180-rupee download without reducing any planned category or savings.**
3	Name two categories in which Asha's actual amount differed from her original budget. State how much each amount changed.	**Answers include: bus rides were 20 rupees less, school supplies and phone data were 10 rupees more, or snacks were 20 rupees more.**
4	Why does Asha include savings in her budget instead of waiting to save whatever money is left over?	**Including savings as a planned use of income protects her savings goal before she spends the money.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

CATEGORY	PLANNED RUPEES	REASON FOR THIS PLAN
Bus rides	300 rupees	I need transportation during the month.
School supplies and phone data	350 rupees	I need these for schoolwork and communication.
Food and snacks	250 rupees	This covers planned food purchases.
Savings	400 rupees	I am setting money aside for a future goal.
Personal spending	200 rupees	This leaves money for optional purchases.

Accept answers that distinguish planned spending from planned saving and use the passage's amounts accurately. For the table, accept reasonable categories and reasons if all five planned amounts total exactly 1,500 rupees and one category is savings.