Baht Before Buying

Use a budget to keep spending within income.

SS7E10 "Understand that a basic principle of effective personal money management is to live within one's income."

NAME ______________________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline each amount that is income or a planned cost, circle the total that shows Niran would spend more than his income, and number the choices he could make instead.

Niran's Monthly Budget

(1) At the start of each month, Niran, a student in Chiang Mai, has 1,200 baht from chores and a small family allowance. He treats this money as his monthly income. Before spending, he writes a budget. He plans 500 baht for bus fares and lunches, 250 baht for phone data, and 150 baht for school supplies. These regular costs total 900 baht. His budget leaves 300 baht for savings, unexpected needs, or optional purchases. He can compare every planned cost with his income before deciding.

(2) At a market, Niran sees earbuds priced at 500 baht. He adds the price to his regular costs. If he buys them this month, his spending will be 1,400 baht. That amount is 200 baht more than his 1,200-baht income. He could avoid a shortage by waiting until a later month, saving from future income, or choosing less expensive earbuds. He decides not to buy them this month. This choice keeps his planned spending at or below the money he has.

(3) Living within income does not mean that Niran can never buy wants. It means he first covers planned needs, considers savings, and checks that all spending fits the money available. Saving part of income can help with a surprise, such as replacing a broken school item, without borrowing. A person who regularly spends more than income may need to borrow, miss payments, or cut needed purchases later. A written budget makes trade-offs visible before money is spent.

2 ANSWER WITH EVIDENCE

Use the passage

1. What is Niran's total for regular costs, and how much money does he have left after those costs?

2. If Niran buys the earbuds, what will his total spending be, and how far will it be over his income?

3. Why would buying the earbuds this month mean that Niran is not living within his income?

4. Name one choice Niran could make instead of buying the earbuds. How would that choice help him manage his money?

3 YOUR TURN

Your own words

Create a one-month budget in baht or another currency. Enter one income amount and four spending or saving choices. Make sure your expense and savings amounts together are no greater than your income.

ITEM	AMOUNT	INCOME, EXPENSE, OR SAVINGS	REASON FOR THIS CHOICE

ANSWER KEY

Baht Before Buying

GRADE 7 · SS7E10

PART 1 · READ AND MARK

Underline each amount that is income or a planned cost, circle the total that shows Niran would spend more than his income, and number the choices he could make instead. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What is Niran's total for regular costs, and how much money does he have left after those costs?	**His regular costs total 900 baht, leaving 300 baht.**
2	If Niran buys the earbuds, what will his total spending be, and how far will it be over his income?	**His spending will be 1,400 baht, which is 200 baht over his income.**
3	Why would buying the earbuds this month mean that Niran is not living within his income?	**His planned spending would be greater than the 1,200 baht he has as income.**
4	Name one choice Niran could make instead of buying the earbuds. How would that choice help him manage his money?	**He could wait until a later month, save from future income, or choose less expensive earbuds. Any of these choices can keep spending at or below his income.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

ITEM	AMOUNT	INCOME, EXPENSE, OR SAVINGS	REASON FOR THIS CHOICE
Monthly income	1,500 baht	Income	Money available for the month
Bus fares and lunches	650 baht	Expense	Needed for travel and meals
Phone data	200 baht	Expense	Needed for school messages
Savings	300 baht	Savings	Helps pay for an unexpected need
Book	350 baht	Expense	An optional purchase that still fits the budget

Accept equivalent wording that shows spending must not be greater than income. For the budget, verify that the four expense and savings amounts total no more than the student's listed income.