

Be able to budget

Unit 15 – Understand how to manage money

Instructions and answers for teachers

These instructions should accompany the OCR Lesson Element ‘Be able to budget’, which supports OCR Awards and Certificates in Employability Skills Unit 15 – Understand how to manage money.

The image shows a learner activity sheet titled 'Be able to budget' under the 'Employability Lesson Element' header. The sheet includes sections for 'Learner activity sheet', 'Unit 15 – Understand how to manage money', 'Task 1 – Expenditure for a specific project', and a large box for listing projects. The OCR logo is at the bottom right.

Be able to budget

Learner activity sheet

Unit 15 – Understand how to manage money

Task 1 – Expenditure for a specific project

Total expenditure (costs) needs to be calculated for specific projects to ensure that a project can be afforded.

These are examples of projects people may choose to undertake:

- A trip to a music festival
- A short break in London
- A holiday abroad
- A birthday party

Can you think of any other projects? List these below.

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Associated files

Lesson Element Activity – ‘Be able to budget’

Expected duration

Task 1 – 1 hour
Task 2 – 40 minutes
Task 3 – 1 hour

Task 1 – Expenditure for a specific project

Explain to the learners that total expenditure (costs) needs to be calculated for specific projects to ensure that a project can be afforded.

Write this selection of projects on the whiteboard:

- A trip to a music festival
- A short break in London
- A holiday abroad
- A birthday party.

Discuss these with the class and ask them for any other suggestions.

Ask the learners to work in pairs to choose a project of their own. Ask them to calculate the total expenditure of the project, taking into account all the various costs, such as travel costs, accommodation, ticket costs, food and drink etc. Tell the learners that they can record the costs and the total expenditure in the table that can be found in their activity booklet.

Provide the learners with access to the Internet for support.

Task 2 – Contingency planning

Explain to the learners that additional funds are sometimes required to cover problems that may arise in a chosen project and this needs to be budgeted for.

Write the following short list of potential problems on the whiteboard:

- Flight delays
- Illness
- Car breakdown.

Discuss these as a class.

Ask the learners to work in pairs to discuss the problems that could arise in their chosen project (identified in Task 1). Ask them to identify four main problems and record their ideas in the diagram provided in their learner resource.

Ask the learners to work out a contingency budget to cover these.

Provide the learners with access to the Internet for them to research problems that could arise and the costs of overcoming these.

Task 3 – Different payment methods

Explain to the learners that there are advantages and disadvantages of using different payment methods. Tell the learners that certain payment methods are best suited to different value items, e.g. a small car can be paid for with a bank loan that has a low APR and a can of coke can be paid for using cash.

Write the following list of different payment methods on the whiteboard:

- Cash
- Hire purchase
- Bank loans
- Credit/debit card
- PayPal.

Ask the learners to (individually) use the Internet to study the different payment methods and to find out about the advantages and disadvantages of using each of these. Ask them to also research why each of the payment methods is best suited to different value items.

Ask the learners to work in pairs to discuss their findings and create a financial advice leaflet about the topic.



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