

## Section 2—Financial Basics

**Title of Lesson/Subject:** Reworking a Budget/General Business

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### Contact Information

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**Time Allotment:** One 50-minute class period

**Grade Level or Target Audience:** General Business Students (mostly 9<sup>th</sup> graders but can be up to 12<sup>th</sup> graders)

**ND Standards Competencies:** Business and Office Technology Standards (Grade 12)

Consumer Economic Skills –

1. Manage money and credit
2. Develop and use consumer economic skills

Analytical and Computational Skills – Apply basic accounting and financial concepts to Business and personal applications

**Key Economic Concepts:** Managing Personal Finances

**Brief Description:** In this lesson, the students will set up and maintain a sample budget. They will also rework the sample budget into one that fits their own personal lifestyle.

### Learner Objectives:

Students will:

1. Work with a budgeting sheet.
2. Incorporate unforeseen events.
3. Compare planned expenses with actual expenses.
4. Design a budget, keeping personal and financial goals in mind.

**Introduction:** Prior to this lesson, students will have identified and prioritized personal and financial goals and created a plan to achieve those goals. This lesson will provide practice in setting and maintaining a personal budget.

**Materials Needed:** Handouts for activities 3-5a through 3-5d of Lesson 3: The Art of Budgeting found on [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com). and transparency 3-C from same lesson on website, rubric to evaluate personal budgets.

**Audio/Visual Equipment Needed:** Overhead projector OR computer with internet access and projector to display website activity

### Lesson Outline:

- I. Review financial goal setting
- II. Understand a budgeting sheet
  - a. Income section
  - b. Expense section
  - c. Totals
  - d. Budgeted vs. actual amounts

e. Unforeseen events

III. Personalize a budget sheet

**Resources:** [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

**Activities:**

Review (5 minutes) – Review process of setting financial goals and discuss planning process to achieve those goals.

Discuss budget worksheet (15 minutes) - Show overhead on setting up a budget and discuss the income and expense sections, as well as the three columns for budget, actual, and difference. Discuss unforeseen events that can change budget predictions.

Prepare budget worksheet (20 minutes) - Complete the budget worksheet using the sample budget given in the activity.

Explain assignment (10 minutes) – Discuss possibilities for adjusting the budget to fit your personal lifestyle. Assign activity to personalize the budget to meet your personal needs.

Application/Assignment: Complete worksheet 3-5d to revise budget to fit personal lifestyle.

**Evaluation Plan:** Rubric to evaluate personal revisions to budget