

Spending Decisions

Keeping track of your money can be tough, particularly when there are lots of unexpected demands on you. What would you do in each of these scenarios?

- 1. You have been invited to a party but don't have any new clothes to wear. You find a lovely outfit that costs £12. You don't have any cash or a credit card but you have a debit card. You have £10 in your bank account. You don't have a gift card.**

How much does it cost?

Have you got enough money?

Do you need the item?

How will you pay?

Consequences?

- 2. You are buying some food for your family. In total it costs £32. You don't have any cash but you do have a debit card and a gift card for £5. You have £25 in your bank account and you do not have a credit card.**

How much does it cost?

Have you got enough money?

Do you need the item?

How will you pay?

Consequences?

- 3. You are exhausted from working so hard, you need a holiday. A week abroad will cost you £300. You have £50 in cash, £150 in your bank account and a £20 gift card to spend on flights. You also have a debit card and credit card.**

How much does it cost?

Have you got enough money?

Do you need the item?

How will you pay?

Consequences?

4. Water is dripping from your ceiling. The roof is leaking! It is going to cost £450 to repair. You have a few coins and a gift card for £50 at a DIY shop. You also have a debit card and a credit card with a £500 limit. How do you pay to fix your roof?

- Read up on how to fix your roof and use the DIY gift card to buy what you need to do the work yourself
- Shop around to find someone cheaper to fix it for you and pay using your credit card
- Put a bucket underneath it and save up the money to get it fixed at a later date

5. You are going out at the weekend and really want something new to wear. You see offers on an outfit – which one represents the best deal? The full price of the outfit is £50. Which offer is the best value?

- 30% off (£35)
- Now £38 (is £38)
- Buy one get one free (£25 for both outfits)

6. You and a friend decide to take a day trip to the seaside. Which offer represents best value for money? A single trip costs £12 and you will need to get a return ticket which costs £12 too. Which offer is best value for money?

- Half price when you buy a single ticket
- £20 return trip to the seaside
- 30% off all tickets

7. You've just had your birthday and you have a £35 gaming gift card. You have seen a game that costs £60. Which of the following is the best offer?

- 20% off (£48.00 – use your £35.00 gift card and pay £13)
- Special offer: one day only Buy today for £55 (Use the gift card and pay £20)
- Do you buy it now for £60.00 or wait a few months to see if the price reduces further?

Answers: 4. It's probably best not to leave the roof too long to be repaired as it could cause more damage. If you don't have an emergency fund and providing you can cover the minimum monthly repayment, a credit card could be a good option to help you spread the cost of the repair and give you cover the repair not go as planned. 5. Buy one get one free – best value but only if you need two outfits. 6. C 7. Would be a needs and wants dilemma – no right or wrong answer.