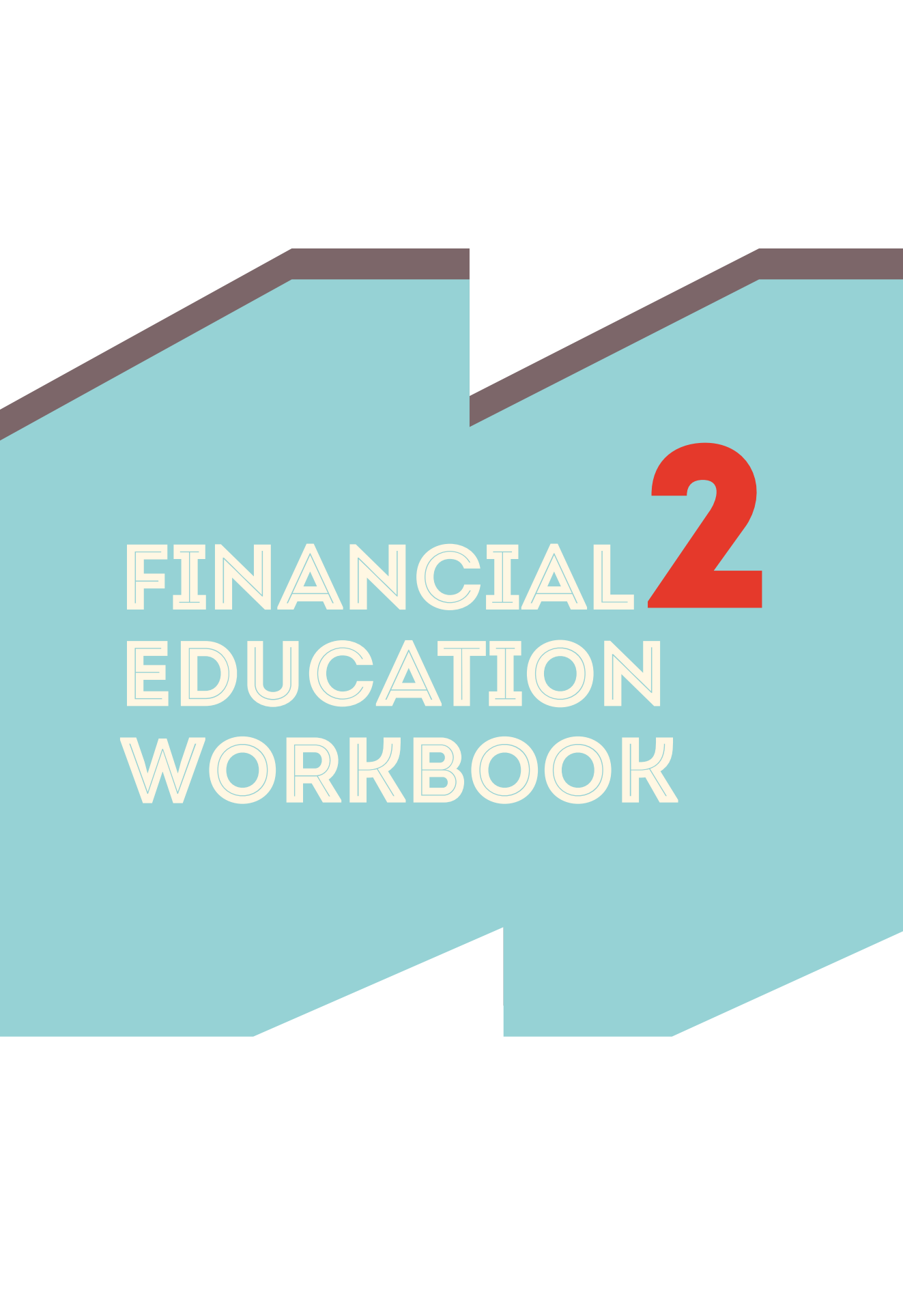




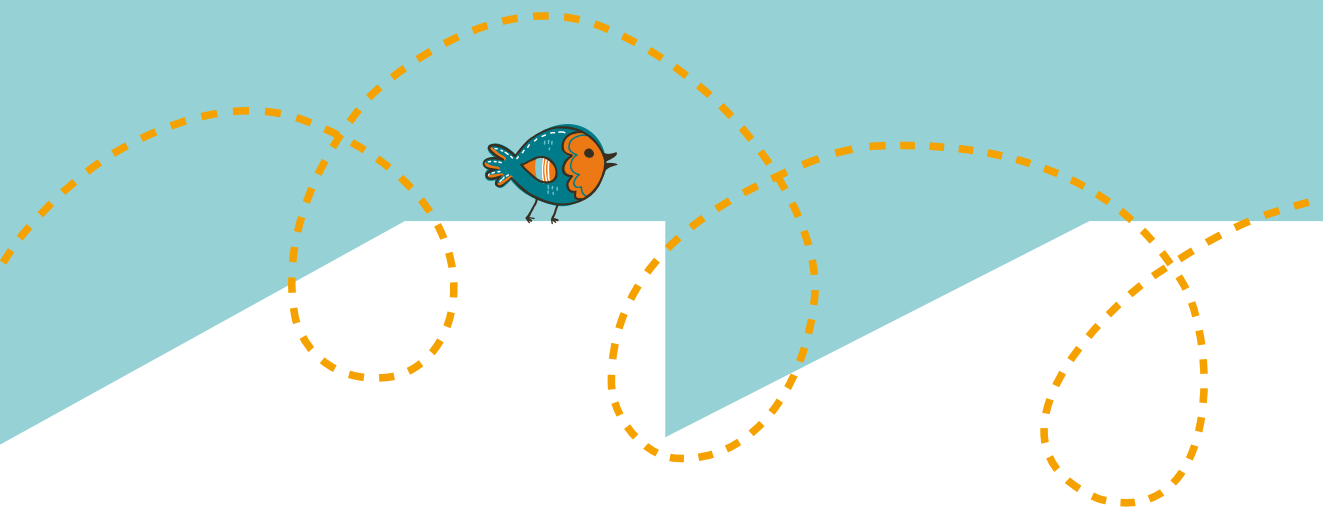
FINANCIAL EDUCATION WORKBOOK

2

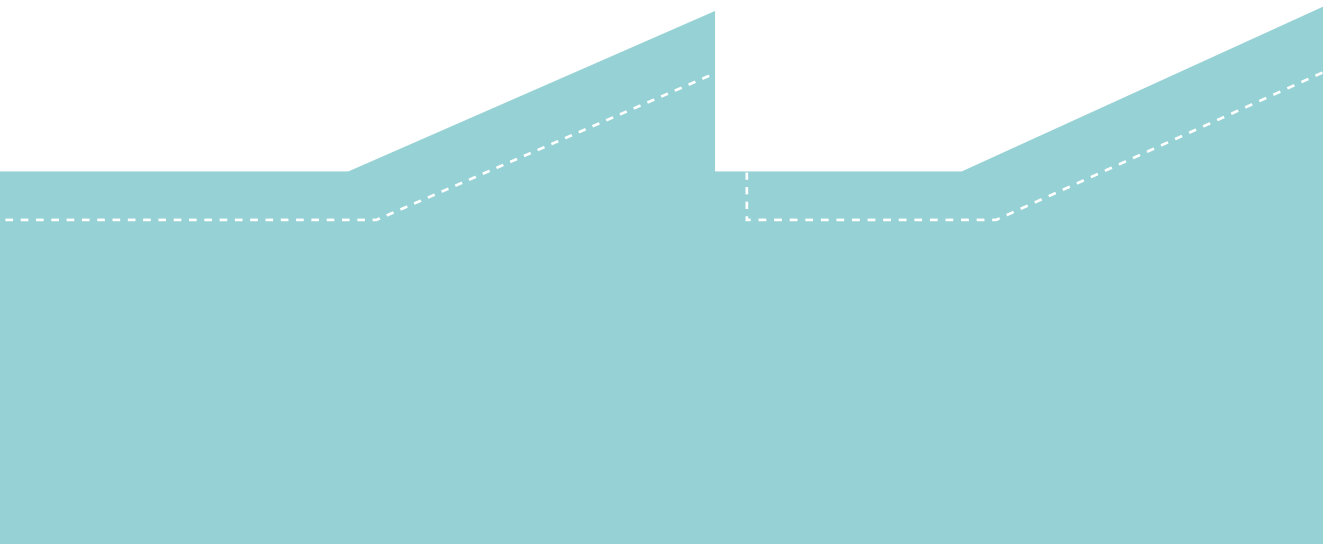




FINANCIAL **2** EDUCATION WORKBOOK



Did you know that in school you can learn multiple subjects which complement each other? From languages, social studies, maths or science classes, to clubs where you develop projects which allow you to experience different aspects of life. Through the Financial Education Workbook 2 we invite you to become familiar with the Treasure Club composed of students from elementary education, aged 10 to 12. Here you will have the opportunity to learn, in a creative and fun way, how to make a budget, how to create your own savings, how to anticipate risks, and how to make payments!





THE ***TREASURE*** ***CLUB***



THE TREASURE CLUB



Text of Maria da Conceição Vicente

We're a jolly group of people
keen on good will and friendship
we're more than ready to learn
all about citizenship.

Our Treasure Club's motto
is undoubtedly bold:
never, never stop learning
for knowledge is better than gold.

Which is the theme of our choice?
For now, let's begin with money!
If we learn to use it wisely
it can taste as good as honey.



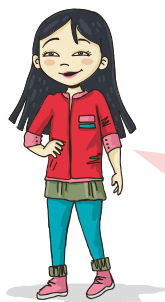
I'm Mr Higgins, the teacher
And my task is pretty clear:
Show all the kids the way
to use money without fear.



My name is Clara Cash
And I've got a bit of training
I can manage pocket money
and I'm ready for some saving.



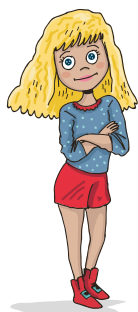
My name is Thomas Cash
Money has no secrets to me
What's more I'm truly aware
It mustn't be spent in a flash.



My name is Elizabeth, Lizzie
I'm responsible and nosy
What shall I do with my money?
This time, I shall not be dozy...



My name is Roderick, Rod
I'm happy and have lots of fun
I don't know much about finances
But I can always make a pun.



I'm Milly, I'm friendly,
easy going and happy
but I know that in money matters
one must keep sharp
and be snappy.

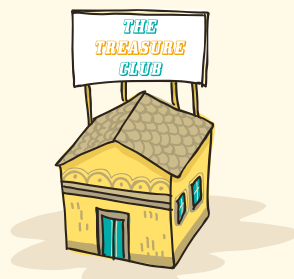
1.

NEEDS AND WISHES



Grasp all, lose all

Text of Maria da Conceição Vicente



Clara Cash crossed the school yard oblivious to the noisy sounds of break-time. That day she hadn't complained how heavy her backpack was, she had eaten all her soup at lunch time without whingeing 'it's too hot' and she hadn't even moaned about the shower's temperature after PE. **'I smell a rat!'** Thomas thought to himself when he approached his sister

'Where are you off too Sis, looking so *pretty* and *sure of yourself*?'

'I'm going to the *Treasure Club*... and you should come too. Although having heard you quote the poet Camões it looks like you're more interested in going to the after-school poetry club. Tell me, was it the poetry reading at Grandpa's and Granny's which tempted you to become an apprentice poet?' 'For your information I've already joined the *Treasure Club*... and the only reason I didn't do so earlier was because I wasn't sure if Year 5 pupils were allowed to' explained Thomas.

'Of course they are!' said Clara 'And to your information your Sis here was chosen by the teacher and the class to represent the club'

'Oh, I get it!!!!... that explains the self important looks whilst parading through the school-yard like a model strutting the catwalk, waiting to be asked for autographs.

'Oh Thomas your jokes are so basic!'

Still bickering, the siblings entered the room, the teacher Mr Higgins, the club leader, and the other club members, were there already.



'Let's get started!' said Mr Higgins

'Are we going on a treasure hunt Sir?' Thomas asked

'Not exactly, Thomas. We will be following a **set path**, with some surprises in the middle, a path that will lead us to a small but great treasure: **the wisdom of saving and spending money well**. After that we will disclose our findings so that others can learn about them'

'EUREKA!' Lizzie shouted. Lizzie loved to find out about things, and after having read Ulysses, whilst studying Portuguese, she had totally fallen in love with Greek mythology and Greek heroes.

'Eureka'...is that a collection of Euros?' asked Milly, to which Clara replied 'Oh Milly don't be absurd! What would the Portuguese teacher think if she heard you?'

'Not quite Milly' said Sir, trying to appease the situation 'Eureka does not relate to Euros... it comes from ancient Greek, and is an exclamation we use to express an exhilarating flash of insight. Like a cry of joy or satisfaction when one finds or discovers something. **Archimedes** exclaimed this word when he gained insight into the principle of density in Physics – a subject you will be studying in the near future.

'That is what I meant Sir' explained Lizzie 'If Eureka means "I get it!" we could use it as a title for the **information display-board**, where we display our findings.'

'A very good suggestion,' said Mr Higgins, '...that's settled then. Let's talk about the next step: we must work out what materials we will need to run the club.'

'What about an interactive white board Sir...and we could buy tablets too!' suggested Rod.

'Not a bad idea! But if we spend all the money on hi-tech, we'll find ourselves sitting on the floor, as we won't have bought any furniture...perhaps we would be happy anyway... but we need to think about it Rod – bear in mind that the school only has a limited amount of money in its budget, so we have to be careful how we spend it!'

'We must live within our means, like Grandpa always tells us' said Thomas.

'At this stage, **an interactive white board is not a priority**' Sir explained 'buying one could hinder the school finances and even prevent other important projects from happening.'

'We all agree Sir' said Clara 'what we have to do now is think about **essentials**: perhaps we should focus on **durables** and **non-durables** items'.



'What's that? How do you know?' a flood of such questions immediately arose.

'I learnt about it in year 4... and at home too', said Thomas 'And all you need to do is think about the words, for example "**dur-able**", able to "**endure**".'

'Of course! There are disposable things and there are things you wish you could dispose of, but that you can't because they last forever!' concluded Milly amidst widespread laughter.

'Well, as we seem to understand each other, let's get on with thinking about the club's first project, and work out an '**essentials list**', interjected Sir, cutting across the general chatter. 'What do you think about this: a school trip to the **Money Museum**.' He continued.

'**Great idea Sir!**, '**Wicked Sir!**' **Let's do it Sir!**', and faced with such a positive reception to his proposal, Mr Higgins was poised to start teaching, when Milly interrupted 'But Sir, are we going to spend a whole day at the museum? Isn't there somewhere else we can visit too?'

'That's right Sir, since we are incurring such an expense, we should make the most of the school trip' added Clara.

'Quite so Clara, perhaps we could also visit the **Lisbon Stock Exchange** and an **exhibition about the History of Insurance**'.

'Motion approved!' shouted Clara, to exclamations of agreement by the other pupils.

'Right then, let's brainstorm what will we are going to need for the trip' said Sir, 'Organise yourselves in groups and let's get on with it.'

After spending some time on the task, the different groups introduced their proposals, which were recorded in the list below:

School Trip	
<ul style="list-style-type: none"> • transport; • snacks (morning/afternoon); • lunch; • t-shirts; 	<ul style="list-style-type: none"> • hats and caps; • stickers or ID tags; • posters.

Thomas was the first one to speak 'There are things on this list which are super... super... superficial!'

'**Superfluous** Thomas, you mean superfluous!' clarified Clara.

'What does that mean Clara?' asked some of the younger pupils.

'There are things which are absolutely necessary, which we can't do without: those are essentials or essential goods' explained Clara 'and there are other things we can do without, those are **dispensable** or **superfluous goods**.'

'If that is the case, then there are things here we do not really need' said Rod.

'Happy to see you come to a sensible agreement!' Sir interrupted, visibly satisfied, 'Let's cut down the list to things which are **absolutely necessary**.'

'We don't need new t-shirts', said Lizzie, 'If the group wants to wear the same outfit we can just get a t-shirt from home, as long as we all have the same colour that should be fine. For example, I bet everybody has a white t-shirt at home...'

'The same applies to hats or caps' said Thomas.

'**Stickers are also dispensable...**', '**and the ID tags!**', '**and the posters too!...**', '**But we must have some kind of ID!**', '**Yeah...**', '**But...**', voices from all around presented reasons for and against, until Sir stopped the conversation with 'Of course stickers and posters are superfluous, we can do the trip without them, but at this stage we have a good opportunity to involve other teachers of different subjects. If we ask for their **collaboration**, it would be an excellent way to have a wider participation in our project'.

'Aww but I wish we could have personalised t-shirts, we would look so cool!' said Milly in a little sulky voice, to which Sir responded 'Yes Milly, no doubt, but if you check the dictionary, you will see that **the meaning of "wish" is different from "need"**'. One thing is what we would like to have, and another very different thing is what we need to have. Therefore, please go check your wardrobe to choose a lovely t-shirt to take on the trip.'

'I would never wear a "school t-shirt" again...', mumbled Lizzie. Sir contested this 'well, well, Lizzie! Your comment only confirms what I already thought: you could all benefit from vaccination against **impulsive behaviour**. If only I knew how to give it!'

The word *impulsive* generated an unexpected silence, which reminded Sir to mention to everybody the existence of certain "**stop to think**" type words.

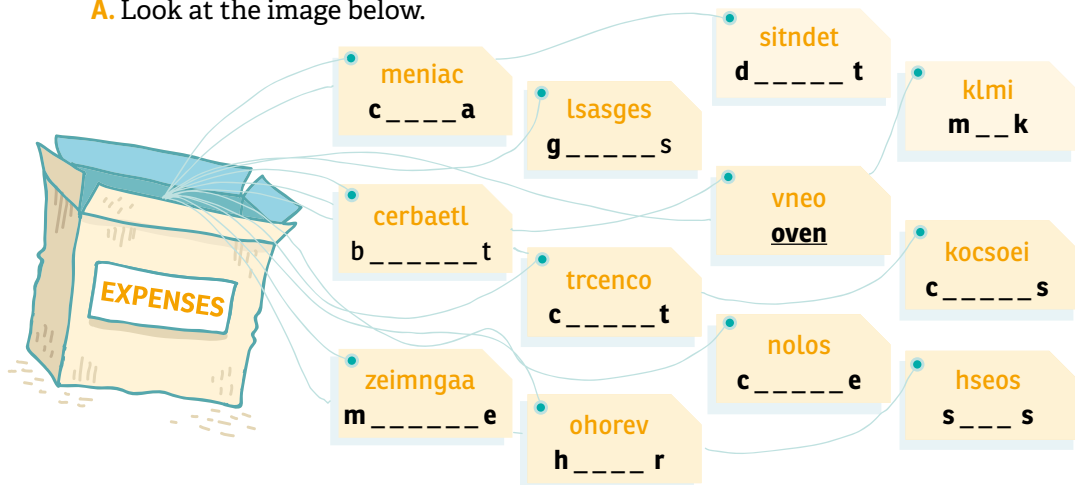


For starters...



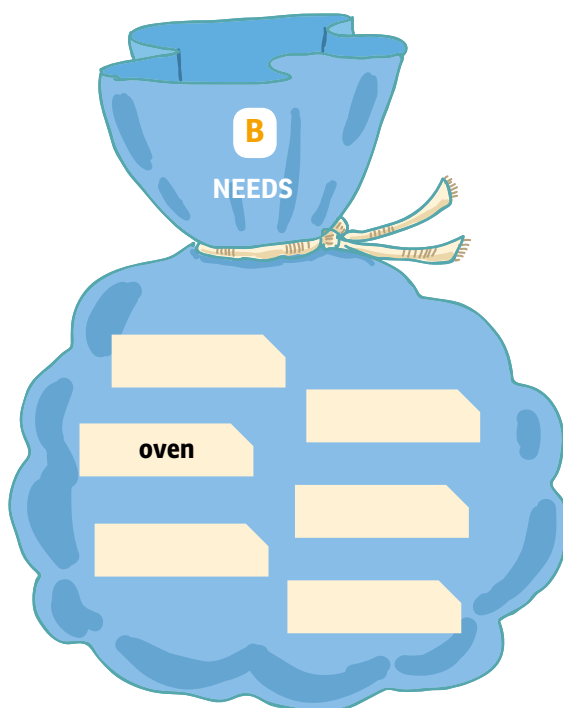
1. To help the pupils in the club reflect on the differences between **wishes** and **needs**, Mr Higgins proposed the following challenge:

A. Look at the image below.



B. Find out what are the **expenses** contained in the box by placing the letters in the right order to form the words.

C. Choose between **wishes** and **needs** and place them in the right bag.



2. Help the group to complete the lists, looking for 3 words in the word puzzle below which correspond to **essential** objects and 3 words which correspond to **superfluous** objects.



B	L	C	A	L	C	U	L	A	T	O	R	P
A	A	Q	H	V	U	N	O	L	D	Z	A	U
L	M	B	I	C	Y	C	L	E	T	A	T	M
L	N	D	T	O	P	X	D	L	N	U	F	L
P	U	N	A	S	A	I	S	K	A	T	E	S
O	N	E	I	B	C	B	T	H	O	Z	S	E
I	R	A	V	A	N	L	M	E	A	X	C	R
N	L	J	S	C	E	Z	I	Q	R	U	S	L
T	I	X	A	K	D	T	A	B	L	E	T	M
F	D	O	R	P	F	R	U	Y	V	N	D	E
I	T	B	N	A	K	E	J	P	I	G	H	A
Y	A	L	T	C	X	S	K	U	S	N	D	R
A	V	G	L	K	F	J	A	C	N	D	E	L



Clues:

(To each line corresponds a letter.)

Essential objects:

b _ _ _ _ k
c _ c _ _ _ r
b _ _ p _ _ t

Superfluous objects:

b _ _ _ _ e
t _ _ _ t
s _ _ _ s

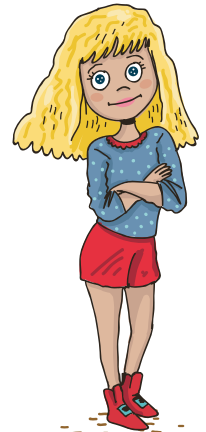
3. As Mr Higgins mentioned before, impulsive is a “stop to think” word: it forces you to stop and reflect. Help Milly to reflect on her most recent purchases by pointing out which were:

A necessary purchases

B impulsive purchases

Milly purchased...

- ☐ a compulsory reading book for Portuguese class.
- ☐ a lunch voucher for the school canteen.
- ☐ a skirt like Clara's which Milly doesn't wear as it doesn't suit her.
- ☐ a new pair of Sabrina shoes to replace the ones which no longer fit.
- ☐ a new mobile phone case which happened to be the wrong model.



4. Lizzie still struggles to distinguish **wishes** from **needs**, so each of the lists she created has two errors. Please mark them in the lists below.

Needs:

- winter boots;
- designer trainers;
- warm coat;
- daily snacks at the Cafe.

Wishes:

- most recent mobile model;
- PE kit;
- dentist appointment;
- favourite band merchandise.

4.1. Clara explained to Lizzie why designer trainers should go on the wishes list. Imagine what her arguments were and please complete the dialogue below:

So far my parents have never bought me designer trainers. I don't understand why!

I think you are right! Next time I'll reflect before I ask my parents for something.

4.2. After the conversation with Clara, Lizzie decided to do some saving to be able to buy the trainers with her own money. Help Lizzie determine which expenses she can cut down on in order to make some savings. Please tick them in the list below.

- | | | |
|--|---|---|
| <input type="checkbox"/> Chewing gum. | <input type="checkbox"/> Scented pens. | <input type="checkbox"/> Magazines. |
| <input type="checkbox"/> School lunches. | <input type="checkbox"/> School trip. | <input type="checkbox"/> Beads to make bracelets. |
| <input type="checkbox"/> Crayons for DT. | <input type="checkbox"/> Sweets from the corner shop. | |

5. After they completed the list of materials they would need to request from school management, the teacher asked the pupils at the club to identify which were **durable goods** and **non-durable goods**. Please help them reorganise the list.

- tables
- chairs
- paper
- pencils
- computer
- whiteboard
- marker pens
- printer
- inkjet
- projector
- erasers
- calculator

Durable goods:

- projector

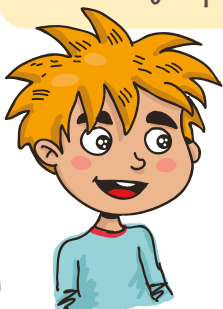
Non-durable goods:

6. Rod suggested that tablets and an interactive whiteboard should be added to the needs list for the club. Mr Higgins did not agree for the following two reasons:

- they were not urgent or necessary goods for the functioning of the club, therefore they were not **short term** needs; on the other hand they could be eventually considered as **long term** needs, to be acquired if funds were available and if the needs of the club's activities would justify it.
- since these are expensive goods to acquire, buying them could compromise other priority projects for the school.

6.1. Based on Mr Higgins's arguments, please delete as applicable in the dialogue below, to obtain the correct statements.

Daddy, you should exchange your laptop for one with more memory capacity



My laptop works fine Thomas. If and when my work requires it, then I will change it. This is a **short / long** term necessity. On the other hand, to get a new boiler is actually a **short / long** term necessity, since the current one keeps breaking down!



Besides, if we bought a new laptop now, we would have to rethink our stay at the seaside: it would be an expense which would interfere with our planned holidays.



How about redecorating my bedroom daddy? The walls still have my childhood scribbles.



That is surely a **short / long** term necessity since your "art work" is not preventing you from sleeping soundly.

6.2. To reinforce his teachings, Mr Higgins asked the group the following:



Wish for or need
– how to keep
the balance?

Clues:

1. Please solve the following image puzzles to find the hidden proverbs and write them down as a caption.

A

C +



- n

one's



- on + ng

2

one's

cl +



- m.

Caption: _____ one's _____ one's _____.

B

- g as



- yo + u

m +



- h, if



- yo + u



+ 't



- g as

y +



- m - se could.

Caption: _____ as _____, if _____
as _____ could.

2. Based on the meaning of the proverbs you deciphered, please write down the answer to the first question.

Treasure CLUB IN ACTION!

The first mission of the *Treasure Club* is to research the consumer habits of the pupils in the school. To do this research, first they have to create a questionnaire, and once they have the answers, then they have to present the findings.

1ST TASK:

Create a questionnaire for the pupils to answer in interview. (It may be helpful to bear in mind what you were taught in Portuguese class relating to this subject.)

Theme: *To purchase: wish or need?*

Clues:

- Do you receive pocket money or not?
- If you receive pocket money what do you spend it on?
- How often do you ask your parents to buy you stuff?
- Do you reflect on “the pros and cons” before you ask your parents for things?
- Planned purchasing / impulsive purchasing?
- How do you deal with being impulsive?

2ND TASK:

Have the questionnaire completed by a significant number of pupils in the school.

3RD TASK:

In group, read and comment the answers to the questionnaires, with a view to analysing the findings.

4TH TASK:

Write a report detailing the findings and create a presentation for it.

5TH TASK:

Organise a debate in school with the following objectives:

- > to present and analyse the findings relating to the consumer habits of the pupils in the school;
- > together try to find the best ways to help pupils to become responsible consumers;

Help the pupils at *Treasure* club to finish off the following text for the notice-board which will be shown in the school hall.

Key-words: need(s) • wish(es)

Eureka!

EDITOR: The TREASURE Club

NOTICE BOARD

YEAR 1 | N.º 1

Attention!

Impulsive buyers run the risk of spending all their money in acquiring superfluous goods. As a result:

- they satisfy _____ through purchasing goods which give instant gratification, but which quite quickly end up being of little interest;
- they can leave _____ unmet.

It is important to be wise when purchasing.

Always remember

Our _____ are unlimited, but the money available has a limit. Therefore, before buying, STOP: stop and think!

Advice

Before purchasing:

- reflect on your _____ ;
- give priority to essentials;
- control your _____ : think before buying.

... by the way:
should superfluous goods never be bought?

Participate in *Eureka!*, record your opinion below.

(If you would rather, please debate the subject within your work group so you can find an answer together.)

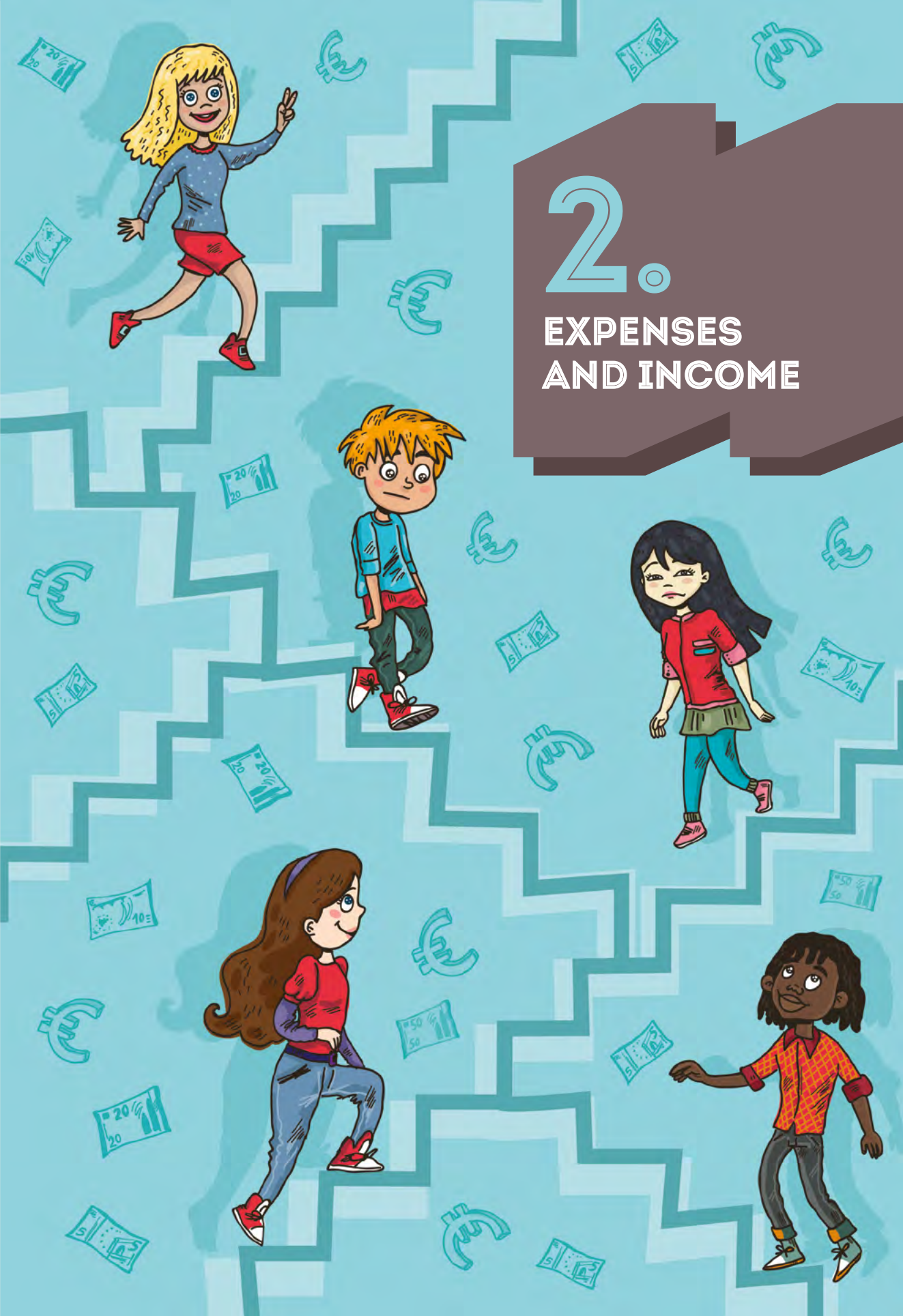
Of interest

The placement of products in a supermarket is done in such a way as to promote consumption. Specific strategies are followed in order to entice the consumer.

For example: as you come into the supermarket there is usually a designated area promoting products associated with a particular time of year (for example: Christmas, Halloween, Back-to-school) which are apparently marked down at lower prices, therefore promoting impulsive buying. Another example of such marketing strategy is the placing of sweets, gum, magazines, and so forth near the checkout, enticing the consumer to engage in some extra shopping, that is not part of their planned shopping. (Info by *Guia Prático do Consumidor* / December 2009, in <http://www.consumidor.pt/>)

2.

EXPENSES AND INCOME



A fool and his money... are soon parted.

Text of Maria da Conceição Vicente



Chatter was rife in the club room before the arrival of Mr Higgins. Everybody was gathered around Rod who, dictionary in hand, was going through the entries at the top of the pages:

'Bud... budge... to budget... noun budget. Found it! It says: **BUDGET** an estimate of income and expenditure for a set period of time...

'That's not what Sir wants!' interjected Lizzie.

'... the amount of money needed or available for a purpose', Rod continued reading, indifferent to Lizzie's hasty comment, 'It must be this, we have a **school trip** to organise, we need to calculate the costs and expenses' Rod added.

'That is more or less correct!' said Clara as she came into the room only catching the end of the conversation.

'We need to know the **revenue**, isn't that so Clara?' said Thomas as he too entered the room.

'Oh I see, you two know more than the dictionary?!...' said Rod.

'Here we go, the Cash siblings and their expertise in **home finances**!' he continued.

'Let's clear the waters.' said one of the others.

'Clear the waters... exactly because it sounds like you are all slowly drowning!' said Clara sarcastically putting a stop to the kerfuffle in the room. Clara went on to explain '**Revenue** is the income we have available; **expenditure** represents the expenses we need to take into consideration. To budget is to find the balance between the two.'

'Well, then I'm constantly losing my balance because come Thursdays, I never have a penny left of my weekly pocket money!' said Milly laughing.

'Thomas and I, we always budget our pocket money... and our **BALANCE** is always **POSITIVE**.' Said Clara.

'Balance? Can you fall?' interrupted Rod.

'Not that type of balance Rod!' said Clara. '**Balance is the difference between revenue and expenditure**: if you have money left after your expenses, then you have a **positive balance**; if your expenditure is greater than your revenue or income then you get a **negative balance**.'

Sir's arrival guided the dialogue in the right direction 'Well then, let's analyse the 'needs' list for our planned school trip' said Mr Higgins, as he presented a list of absolute essentials only.

- *transport;*
- *snacks (morning / afternoon);*
- *lunch.*



'But this still requires a lot of money... **it's a great expense!**' said Lizzie sounding disappointed.

'EXPENSE... that is a **stop** word: let's stop and think!' Rod shouted so loudly Sir almost told him off. He didn't though, because Rod had had the right idea.

After a pause for reflection, Clara suggested 'We could bring the snacks from home, and this way....'

'Really cool would be to stop for snacks at a service station!' Milly cried out, only to be immediately interrupted by chorus of protest from the others.

'Instead of finding ways to reduce our expenditure, you find ways of increasing our expenses!' said Sir sounding disapproving. 'We have a deal: snacks are brought from home and you can even do some swaps; as for lunch...'

'... why don't we try to have our lunch at a school nearby one of the places we are visiting?' Rod cried out 'It would be cheap and we can even make new **FRIENDS!**'

Mr Higgins thought it was a genius idea and said he would make the necessary arrangements. The group was ecstatic judging from the cries of '**Cool!**' and '**That is awesome!**'

'I want to go by train' said Thomas

'You want to, but you won't' said Clara with older sister's authority. 'To start with, may be there are other pupils, who are not part of the club, who might wish to join us, and in that case, we would be too many; secondly, in addition to the



train tickets we would have to pay for the bus to take us to the station – in all, very expensive! So, surely the cheapest way will be to rent a coach which will take us from school.'

'Well done Clara' said Mr Higgins 'When managing a budget we must always compare the expenses.'

'Especially for us Sir, as we have to ask our parents for extra money to do the trip' pointed out Lizzie

'I don't want to ask my parents for extra money...' said Thomas

'Then you can stay behind!' said a bunch of kids from the back of the room.

'We will have to see about that...if our parents have to spend extra money on us during term-time, there might not be enough left them to get stuff we ask for during the holidays. The best way is for us to create that revenue. I don't want to bring home desp... unesp... desperate expenses!' said Thomas

'**Unexpected Thomas... UNEXPECTED**' Clara shouted over general laughter.

'I know, I know it very well! I just got confused!' Thomas said '**Those are expenses mum and dad were not counting on...**'

'...and some times it can be pretty **desperate** to try to pay them, you are right about that!' said Clara judiciously.

'Right you are! Let's not turn this argument in a desperate **brouhaha**' said Mr Higgins, 'Let us recap: we already have a column for the expenses which we have to **quantify**. I will quantify the expenses and you will "quantify" ideas to generate revenue. I would like to see lots of great ideas!'

'Let's just get a **loan**! Problem solved!' suggested Milly.

'A loan?!!!' said Rod, his mouth wide open 'Look at this one trying to play grown ups! My parents had to take a loan in order to buy a new car because it was **such a great expense although very necessary**. They both needed it to get to work. Nevertheless they saved for ages to have a reasonable amount as down payment in order to avoid having to ask the bank for too great a sum of money.'

'Okay!' said Milly 'but the minute they got the loan they didn't have to wait any more were able to buy the car straight away. If we got a loan we could do the school trip right away'

'But then, the school trip would be more **expensive** because we would have to pay **interest on the loan**' explained Clara

'Interest?... Interested in what?... What is that?' asked Rod in a playful tone.

'Interest is the money you pay as compensation for having been lent a certain amount. It is like a kind of a **rent payment for the borrowed money**, do you understand?' Mr Higgins swiftly explained. 'Besides, when you ask the bank for a loan you must provide guarantees that it will be possible for you to pay it back.'

'Come on guys we have to be realistic! Nobody will offer loans to children. We have till the end of the year to arrange this trip' said Clara in conclusion.

'So, as I was saying, we must find a way to get the money without asking our parents... or at least asking only for a bare minimum' Thomas suggested.

'**Exactly Thomas!**' agreed Mr Higgins.



'Well then, perhaps we could make something to sell....'

Lizzie didn't have time to finish the sentence. A storm of ideas filled the room. **'Book marks!..', 'Coasters! Anyone with a damaged CD disk can bring it in...', 'Dream-catchers, made with empty coffee capsules...', '... Bracelet-holders, made with empty scent bottles...', 'Mobiles for baby's cots...'**

'Enough, enough! I get the picture!' cried Mr Higgins '...all of those can be made in **DESIGN AND TECHNOLOGY (DT) CLASS**. I'll suggest to Miss Mona that we do a project in common.'

'I have something to propose' Clara interrupted 'I think we should all save a **certain amount** of our weekly pocket money. Each of us should do a weekly budget. Each of us should save as much as possible... then, through the sale of our products we can achieve considerable extra revenue.'

'Very good idea!' said Rod 'All we need is to quantify, isn't it Sir?'

'Exactly!' agreed Mr Higgins 'We have to have an **INCOME EQUAL OR GREATER THAN OUR EXPENDITURE** in order to achieve a positive balance'.

'But we will only find that out after we sell our work' reminded Thomas.

'Still, we need to have an estimate' explained Mr Higgins 'Therefore it is necessary to do some calculations so that at in the end **the revenue is at least equal to the expenditure.**'

'What if we find ourselves with a **positive balance**, what shall we do with the left-over money?' asked Lizzie.

'Well that's easy: we keep it for our next school trip...' suggested Rod.

'We'll see.' Said Mr Higgins, 'For now let's start with our calculations. Then we will truly see the importance of maths to succeed in our project'.

The bell rang, putting a finish to the session, but not to the conversation. Laughter echoed through the corridor, causing suspicious yet surprised looks from other colleagues, who normally thought 'after school clubs were such a bore!'

For starters...



1. After the conversation about the club Milly wanted to know what had been her family's **income** and **expenses**. Please look at the list her parents provided below and help Milly determine which is which, by marking with:

I Income

E Expenses

☐ Gas and Electricity.

☐ Water.

☐ Travel card.

☐ Granny's pension.

☐ Groceries / supermarket.

☐ The clothes iron repair.

☐ Replacing mum's glasses broken lens.

☐ Dad's salary.

☐ Theatre tickets.

☐ Milly's weekly pocket money.

☐ New cover for the tablet.

☐ Mum's salary.

☐ Car instalment.

Dad's overtime payment.

☐ Car and household insurance.

E Meal out on Sunday.

☐ Christmas wreaths made by Granny, for selling.

☐ Urgent appointment at the Vets.

☐ Mobile phone payment.



1.1. Now, write down the items of expenditure noted above under two groups:

A Necessary expenditure (expenses the family can't do without):

B Superfluous expenditure (expenses the family can do without):

1.2. Of the list of necessary expenditure you wrote down, three items are unexpected expenses. Please underline them.

1.3. Have a chat with your parents about their expenditure and give an example of two unexpected expenses which were a burden on last month's household budget.

1.4. Besides the income which creates **fixed revenue** regularly received in Milly's household, this month Milly's family had two examples of **extraordinary revenue**. Please write them in the space below.

2. Please complete the following sentences with either the words **fixed** or **variable** to obtain correct statements:

a. Milly's mum is always asking Milly not to fall asleep with the bedside table lamp on because electricity is a _____ expense: the greater the consumption is the higher is the bill.

b. As soon as Milly's dad receives his salary he immediately pays off his car instalment, which is a _____ expense, i.e. the amount to pay can't be easily changed.

2.1. To participate in reducing the family's expenditure Milly promised to reflect on her attitudes towards consumerism. Please assist her with that by writing down below examples of day to day behaviour which could contribute to the reduction of the following bills:



a. water: _____



b. electricity: _____

3. Please explain the meaning of the proverb: *Look after the pennies and the pounds will look after themselves*

4. "... come Thursdays and I have no pocket money left!..". After this statement from Milly, her colleagues, together with Mr Higgins, had a conversation in order to explain how this can happen, and help her reflect on her behaviour towards "foolish expenses". Of the list below please tick the ones Milly should rethink in order to better manage her money.

- | | |
|---|---|
| <input type="checkbox"/> Morning snacks. | <input type="checkbox"/> Pencil leads for her pair of compasses. |
| <input type="checkbox"/> A cream doughnut every day after school. | <input type="checkbox"/> New hair clips. |
| <input type="checkbox"/> Lunch voucher. | <input type="checkbox"/> A bar of chocolate before first period, every day. |
| <input type="checkbox"/> Fluorescent marker pens. | <input type="checkbox"/> Sweets. |

5. '[...] we must find a way to get the money without asking our parents...' this was Thomas suggestion. For this to happen you have to avoid two of the behaviours in the list below. Please tick to identify them.

- ☐ To save half your weekly pocket money.
- ☐ To buy the lunch voucher past the deadline, incurring a fine.
- ☐ To buy snacks at the school canteen instead of bringing them from home.
- ☐ To save the change Grandpa gives to him for helping mowing the lawn.
- ☐ To do small tasks in exchange for a bit of cash.



6. Rod got excited with Clara and Thomas' initiative so he decided to do a budget for his pocket money too. Here is what he came up with.

ROD'S BUDGET – 1 ST Attempt	
Revenue: Weekly pocket money: 15,00 €	Expenditure: Morning snacks (5 days): 5,00 € Afternoon snacks (3 days): 4,00 € Bottle of water for PE: 0,50 € Ice cream after school (3 days): 3,00 € Chewing gum (2 packs): 2,00 € Stickers (4 pads): 2,00 € Total:
Balance:	



6.1. Calculate the balance and comment on the result.

6.2. After analysing his first attempt budget (above) Rod decided to rethink his expenses. What could you suggest to him in order to reduce his weekly expenditure?

6.3. Based on your suggestions Rod decided to reformulate his budget in order to gain a 3,00 € balance. Please complete the table below to show how he achieved it.

ROD'S BUDGET – 2 nd Attempt	
Revenue: Weekly pocket money: 15,00 €	Expenditure: : : : : : : : Total:
Balance: 3,00 €	



7. Lizzie wants to obtain some extraordinary revenue in order to increase her weekly budget. Please mark down **Yes Y** for the tasks she can hope to get paid some money and **No N** for the tasks she shouldn't get any payment for as these are part of normal family-life obligations.

- ☐ Make your own bed every day.
- ☐ Help Miss Amelie carry her food shopping every Saturday.
- ☐ Load the dishwasher at breakfast.
- ☐ Clear the table at supper.
- ☐ Look after the neighbours' dog when they are away for the weekend.
- ☐ Look after her uncle's canary when they are away on holidays.

8. Please read the dialogue below carefully and then comment on Lizzie's answer marked in bold. (please don't forget to justify your remarks.)



9. Milly knew that sometimes grown-ups ask the bank for a loan, though she didn't know the particulars. Based on the definition below, please mark as **True T** or **False F** the following remarks:
(If needed ask a grown-up for help.)

Bank loan → when you receive money from the bank in exchange for future repayment, within an agreed delay, of the **principal**, plus **interest**. The principal is the amount you borrowed, and the interest is the amount charged for the loan.



When someone takes a bank loan,

- ☐ one does not need to think if it is opportune.
- ☐ one pays more for the acquired goods.
- ☐ one can immediately buy, not needing to wait enough time to save the necessary money.
- ☐ one does not need to give any guarantee of being able to repay the money.
- ☐ it doesn't matter how old you are .
- ☐ one must reflect before buying, trying to understand if getting a loan to acquire something is justified.
- ☐ one must evaluate if the agreement can be met in order not to be penalised if one can't honour the agreement.
- ☐ one doesn't need to worry about expenses which might crop up in the future.

10. Rod said his parents had only asked for a loan "[...]to buy a car [...]".

10.1. This buy was very well thought over by Rod's parents. Please copy from the initial text, sentences which justify this statement.

Treasure CLUB IN ACTION!

The *Treasure* club needs to calculate the budget for the school trip.

SCHOOL TRIP BUDGET	
Revenue: Fixed: 500,00 € (pocket money savings) Extraordinary: (sale of objects made in class) Bookmarks (100 x _____ €): 10,00 € Coasters (50 x _____ €): 50,00 € Dream-catchers (15 x _____ €): 45,00 € Stands for bracelets (10 x _____ €): 25,00 € Mobiles (5 x _____ €): 20,00 € Total: 650,00 €	Expenditure: Transport (return trip): 500,00 € Lunch (1,50€ x 50): 75,00 € Cardboard sheets: 15,00 € Paints: 35,00 € Total:
Balance: _____ €	



1ST TASK:

Calculate the total amount for the expenditure, which includes the trip costs, and materials to make the objects in class.

2ND TASK:

Complete the budget by calculating the price for each object produced in class in order to obtain the forecasted extraordinary revenue.

3RD TASK:

Calculate the budget's balance, after deducting all expenses.

4TH TASK:

Calculate how many sweets each of the 50 participants in the school trip would get, if the balance was to be spent on sweets at 0,10 € each.

Please help the club members complete the texts for the notice board.

Key-words: revenue • expenditure

Eureka!

EDITOR: The TREASURE Club

NOTICE BOARD

YEAR 1 | N.º 2

Warning!

To spend unwisely may deplete our _____, "silly expenses" can turn us into "foolish spenders".

The consequences:

- unpaid _____ can lead to the necessity of obtaining loans
- the repayment of loans adds up to the _____ corresponding to our daily needs;
- to have a lot of loans may lead to a build-up of debt.

It is essential to regularly work out our budget in order to balance

_____ and _____.

Advice

Before one asks the bank for a loan, one must reflect on

- if the loan is to pay an absolutely necessary _____ ;
- if one has enough _____ to allow its repayment.

Always remember

One should live according to one's means. For that to happen one must be attentive so that one's _____ is not greater than one's _____.

**... by the way:
Is taking a loan to
pay for holidays
abroad a good
practice?**

Participate in *Eureka!*, record your opinion below.

(If you would rather, please debate the subject within your work group so you can find an answer together.)

Of interest

The origin of our word *budget* is the Latin *bulga*, a little pouch or knapsack, which may have come from a Gaulish source that's related to the Irish *bolg*, "bag". The word turned up in English in the fifteenth century, having travelled via the French *bougette*, a diminutive form of *bouge*, "leather bag". Its first meaning in English indeed was "pouch, wallet, bag", and followed its French origin in usually implying something made of leather. By the end of the sixteenth century, the word could refer to the contents of one's budget as well as to the container itself. The connection with finance appeared first only in 1733. The allusion was that the government minister responsible for financial affairs opened his *budget*, or wallet, to reveal his proposals.

(In <http://www.worldwidewords.org/topicalwords/tw-bud1.htm>)



3.

SAVINGS

He who is good at spending money well... must know how to save money well

Texto de Maria da Conceição Vicente



It was half way through Monday morning. It would have been a normal day had it not been the beginning of the week, therefore weekly pocket money was in hand, and DT class, where they were **making things to help raise money** for the school trip, was about to start.

'I'm so glad we manage to convince Miss Mona to help us with the preparation for our school trip' Thomas said, hopping enthusiastically down the corridor.

'I can't wait to start!' said Clara.

The two siblings entered the club room so enthralled in their conversation they failed to notice the presence of Mr Higgins who was getting ready to start the day's activities.

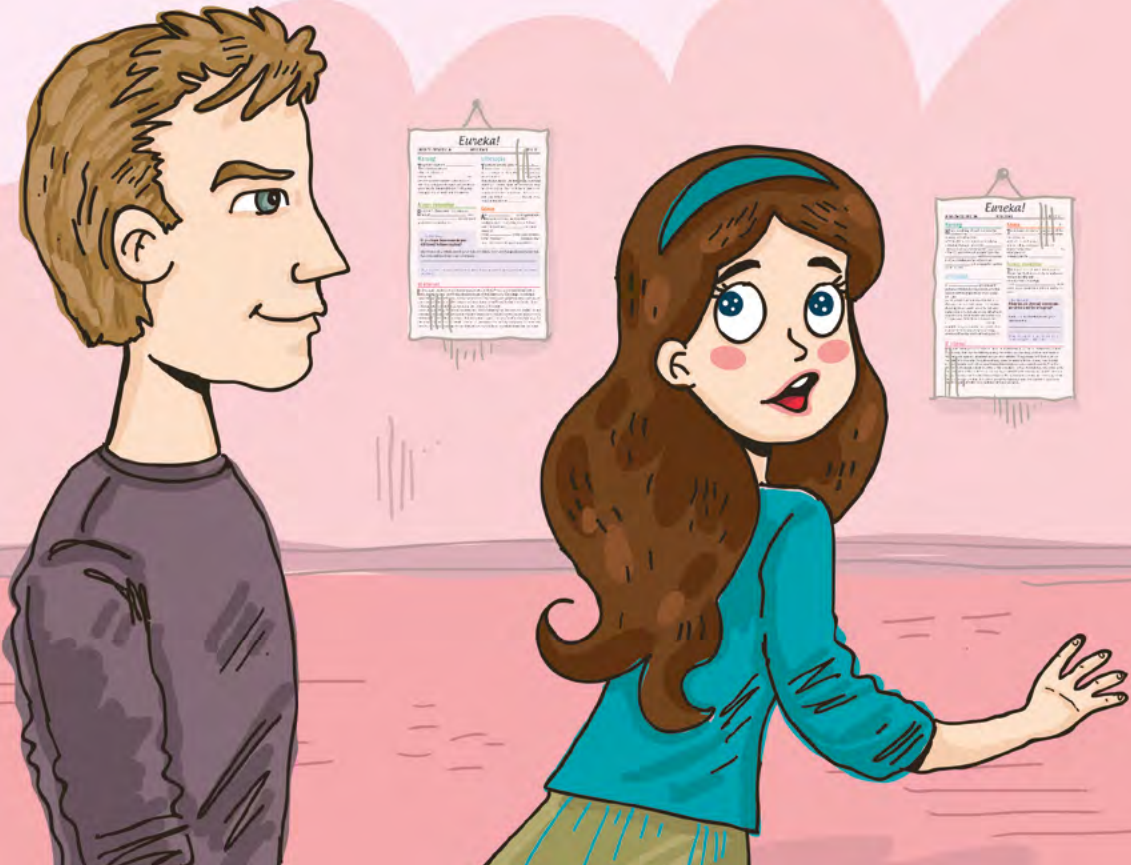
'Well then!' Sir said 'Now that we already have a budget, if you all agree let's get on with the next step. We can use two modalities....'.

'...an **INDIVIDUAL** one and a **COLLECTIVE** one, I got it! Thomas exclaimed.'

'You are right Thomas! But please explain what you mean by that' Sir suggested.

'Well, each one of us has to do a budget for their weekly pocket money in order to save whatever set amount; all together we will start working towards obtaining the needed extra income, the **extraordinary revenue**.'

'What about those who have no weekly pocket money?' asked Lizzie.



'They can think, together with their parents, of a way to **SAVE** some money out of the household weekly expenditure' suggested Mr Higgins.

'And we can gather it all in a **collective piggy bank**' concluded Rod 'Instead of saving towards retirement, like my parents do, we will have a pot of savings towards our trip'

'That's the idea Rod' remarked Sir. 'Your parents have done a **long-term savings plan: to save now in order to benefit later**, for a time in their lives they intend to be more tranquil; we are also going to have a **savings plan**, but a **short-term** one because our objective is more immediate: **to recognise our school trip costs**.'

'Sir! Where are we going to keep the money we save?' asked Lizzie 'It would be best kept in the **BANK**.'

'Let's open a bank account then' Rod immediately said.

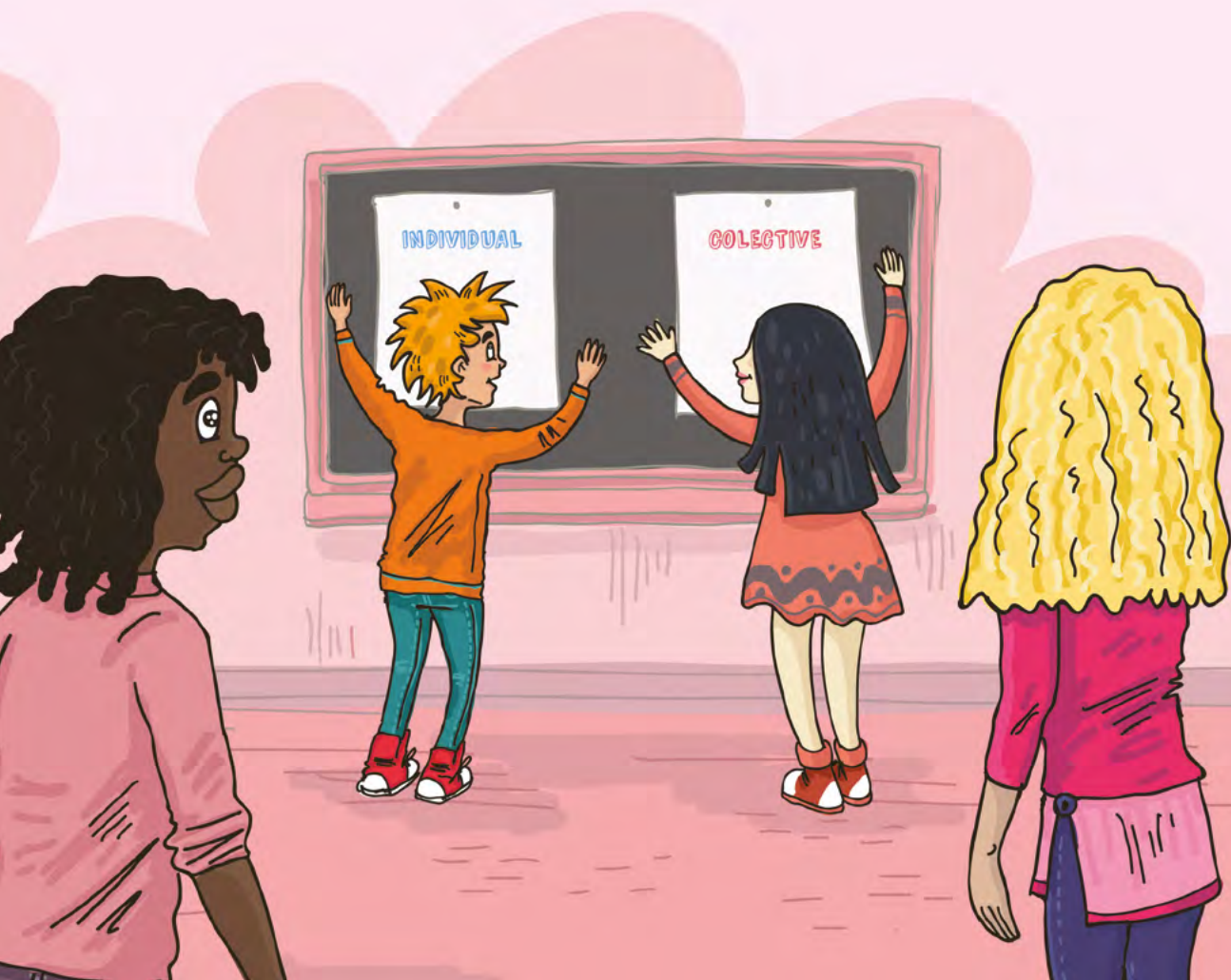
'Could we?... aren't bank accounts only for grown-ups?' said Milly doubtfully.

'Calm down children!' intervened Sir, 'Generally, you have to be 18 years old to open a bank account...'

'But Clara and I already have a bank account for our savings, although it can only be operated by our parents' interrupted Thomas.

'Of course! Minors can be account-holders but these accounts have to be opened and operated by their parents or guardians' Sir explained.

'Sir, and if we put our money in the bank can we get it whenever we want?'



'Yes, if we go for that option Lizzie... for that we would have to open a current account. But there are other options available, although the money is not so easily accessed'.

'What is a current account?' Rod tried to find out.

'A current account is an account with the bank from which money may be withdrawn without notice.'

'Don't we have to pay the bank to keep our money?' asked Thomas.

'When we have an account, there is a certain amount one must pay the bank for services rendered, like a service fee.' Sir explained, 'nevertheless, there are also accounts, such as those for students or young people, which are exempt from service fees.'

'Can we open an account with any bank?'

'Yes, sure, Milly. But **to open an account with the bank you need to sign a contract, which implies that there are rules to be followed by both parties: the bank and the customer.** Therefore it is good practice to research what is offered by different banks, in order to choose the best option for you.'

'Can we open a current account even with only a little money?' asked Rod.

'Some banks require a minimum amount to open an account, but it is not a general rule' clarified Mr Higgins, who crowned the conversation offering some advice 'The best thing we can do at this point is to start filling up the **piggy bank** in dribs and drabs, until we have set aside a bit of money!'

'I'll bring the piggy bank' said Milly.

'Then I'll bring the dribs and drabs' said Rod, causing everybody to laugh.

After a few minutes of animated conversation Clara suggested 'If we keep the piggy bank in the school safe, I, as representative of our club, could be the **treasurer.**'

'You could be the treasure? Did I hear that right?... why would you be a treasure?...' asked Rod.

'I didn't say I'm a treasure, I said I could be the *treasurer*, the person in charge of the money, the person responsible for the money' explained Clara 'I'll be the financial officer responsible for our money...'

'Which will be our treasure...' concluded Lizzie.

The bell rang, putting an end to the conversation and, after saying goodbye to Sir, everybody left chatting, apart from Rod who looked quite pensive and quiet in their midst. He couldn't get the previous conversation out of his mind: to save, to save money in order to use it at a later time... **'That's it!'** he thought out loud, so loud a girl from year seven walking in front of him turned around and smiled at him. **'That's it... if now I'm going to save for the trip, nothing can stop me later on, from saving for anything I really want...something I really need and like...'** He kept going down the corridor totally absorbed in his thoughts and schemes, until at last he exclaimed out loud **'I'VE GOT IT!'**

'Got what Rod?' asked Mr Higgins who was passing by.

'I know what I'll do Sir... **I'M GOING TO BUY MYSELF A SCOOTER.'**

'You're buying what? Don't you know you're not even old enough to ride a scooter?'

'Yes, I do know. But when I'm in Upper secondary school my dad won't need to do an enormous detour on his way to work to take me to school. I will come to school on my scooter...'

'Hold on boy, you still have a long time to go. You are in your elementary education! And your parents need to agree to it.'

'Of course, Sir! Then I will have plenty of time **to save enough money** to buy it... and it is going to be so useful... you can't imagine how useful Sir!'

'Well then, you can talk to your parents about it' said Sir, 'and place your savings in the bank... you could have a **fixed deposit account** under the responsibility of your parents.'

'A bank account like the grown-ups have... with a bank card and everything...'

Such was Rod's enthusiasm he completely forgot about Mr Higgins's, who found himself talking to himself, for Rod had started to run, zooming across the school yard, speeding along as if in a dream... like in a scooter! The important conversation took place later on at supper, concerning the different types of bank account, debit cards, the minimum age at which one can hold a bank account, and drive a mopeds or scooter... They also talked all about scooters, their engine capacity, how fast they can go, what colour they can be... everything, everything possible about scooters!



For starters...



1. From the moment it was clear that the school trip was going to be a collective project, it was decided that all participants would contribute to create revenue. Everybody started to control their spending from then on, in order to save a fixed amount of their weekly pocket money.

1.1. At the end of the first week of savings, Clara counted the money and there were 50,00 € in the piggy bank. Considering that 20 pupils who are club-members, and a further 30 pupils, who are non-members, all signed up for the trip, and considering they all saved each the same amount, how much did each pupil put in the collective piggy bank?

2. Given that the savings of 50,00 € weekly is a fixed revenue, and that Clara the treasurer, intends to pay for the expense of the coach-hire (500,00 €) with the money deposited weekly in the piggy bank, how many weeks will be needed to obtain the necessary amount?



3. As the collective piggy bank already held a reasonable amount, in order to keep the money safe Clara suggested they opened a current account with the bank.

3.1. To know what the club members decided please complete the text below, using the information from the passage above.

In order to keep the money safely, the moment they managed to save 100,00 €, which was the _____ amount the chosen bank requested, the pupils at the club opened a _____. As the deposits were happening in dribs and drabs and it would also be necessary to make payments, this type of account was ideal for the club because it allowed _____. The account was opened in the club's name and Mr Higgins and Clara, the club treasurer, were the account holders.

4. Three weeks after the having the current account open, Mr Higgins decided to show the account's mini-statement to the club:

4.1. Please complete the missing figure above by calculating the account balance, ie the total amount of money deposited in the account.

MB MULTIBANCO ATM		
ACCOUNT: 000000000000		2017/02/08 17:58
MINI-STATEMENT		
2017/02/01	CRE*	DEPOSIT
		50,00 + EURO
2017/01/25	CRE	DEPOSIT
		50,00 + EURO
2017/01/18	CRE	DEPOSIT
		100,00 + EURO
ACCOUNT BALANCE		
DATE 2017/02/08		_____?
** THANK YOU **		

* Credit – money in the account.

4.2. The week after, besides the usual deposit, Mr Higgins had to withdraw some money to pay for the materials needed to make the book markers. See below the account statement:

4.2.1. Calculate the balance according to the account movements shown above.

5. As you can see, the balance changes according to the movements on the account. Please look below at the list of account movements Thomas' parents had last month and mark with **+** the movements which will have contributed to an increase on the balance, and with **-** the movements which will have contributed for a decrease in the balance.

MB MULTIBANCO ATM		
ACCOUNT: 000000000000	2017/02/10	14:23
MINI-STATEMENT		
2017/02/10	DEB*	WITHDRAWAL 10,00 - EURO
2017/02/08	CRE	DEPOSIT 50,00 + EURO
2017/02/01	CRE	DEPOSIT 50,00 + EURO
2017/01/25	CRE	DEPOSIT 50,00 + EURO
2017/01/18	CRE	DEPOSIT 100,00 + EURO
BALANCE		
DATE 2017/02/08		-----?
**	THANK YOU	**

* Debit - money out of the account.



- | | | |
|---|--|--|
| <input type="checkbox"/> Transfer for salary payment. | <input type="checkbox"/> - Purchase of a dress. | <input type="checkbox"/> Transfer for overtime work payment. |
| <input type="checkbox"/> Mobile phone top up. | <input type="checkbox"/> Cash withdrawal for daily expenses. | <input type="checkbox"/> Money in from sale of mum's handmade key rings. |
| <input type="checkbox"/> Transfer of 100,00 € to grand-parents account. | <input type="checkbox"/> Supermarket purchase. | |
| | <input type="checkbox"/> Broadband bill. | |

6. Both Clara and Thomas Cash usually participate in the making of the household budget. Look below at the Cash' family budget for next month and calculate the balance.

MONTHLY BUDGET FOR THE CASH FAMILY	
Revenue:	Expenditure:
Fixed:	Home mortgage repayment: 370,00 €
Dad's salary: 1.200,00 €	Car loan repayment: 200,00 €
Mum's salary: 1.200,00 €	Service Charges: 20,00 €
Extraordinary:	Utility bills: 80,00 €
Dad's overtime work: 300,00 €	Telecommunications: 30,00 €
Sale of herbs: 50,00 €	Insurance: 55,00 €
Total Revenue: 2.750,00€	Supermarket and groceries: 1200,00€
	Transport: 125,00 €
	Clothes / shoes: 85,00 €
	Dad's personal expenses: 80,00 €
	Mum's personal expenses: 80,00 €
	Travelling: 100,00 €
	Travelling: 75,00 €
	Clara and Thomas' pocket money: 100,00 €
	Total Expenditure: 2.600,00€
Balance:	



6.1. If the Cashes were to deposit in their savings account one third of the balance in the current budget, along with a further 300,00€ which they have already saved in the previous months, what would be the value of that deposit?

6.1.1. What would be the value left in the balance which the Cashes could count on for unexpected expenses?

6.2. From next month on Dad will no longer receive payment for extra hours at work. What will be the consequences in the household budget?

6.3. Considering the reduction on the family revenue above mentioned, the Cashes will have to recalculate their budget. Please tell us some of the expenses which can be reduced or eliminated in order to keep the same level of savings.

6.4. Every month, Clara and Thomas' parents put aside a certain amount of money, thus creating a long-term savings plan. If they were to save 150,00 € every month, how much would their savings be at the end of two years?

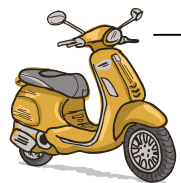
7. After a conversation with his parents, Rod decided to do his long-term savings plan in order to be able to buy a scooter in the future.

7.1. To start his savings plan, Rod needs to save a minimum of 100,00 € to open a current account. If he saves 20,00 € per month, how long will he need to have the above mentioned amount in his piggy bank?

7.2. Rod has opened his current account (his parents operating the account). Help him calculate how much he will save **at the end of the first year**, if he makes the following deposits on his account:

- weekly savings on his pocket money 5,00 € (weekly / 52 weeks)
- payment for small chores 10,00 € (monthly / 12 months)
- money received on his birthday 70,00 €
- money received on Christmas 50,00 €

7.3. If Rod deposited his savings in a savings account which would give him a yearly interest rate of 1%, how much interest would Rod get at the end of the year?



Treasure CLUB IN ACTION!

The next mission for the *Treasure* club members is to create a poster to communicate to young people the advantages of having savings.

1ST TASK:

Plan the poster layout. (Please remember what you have learnt so far about advertising texts in Portuguese class)

2ND TASK:

Word the text in such a way as to convince the readers to adopt behaviours conducive to making savings.

Clues:

- to have money to spend, at a latter time, if needed;
- to save for something you wish for, but is very expensive;
- to prepare for future trips;
- the advantages of having a current account;
- [...]

3RD TASK:

Choose an image.



Clues:

- to make the image adequate and suggestive of the text;
- consider using symbols or animals usually associated with 'savings' (an ant, a pig, a safe)...or maybe create a mascot.

4TH TASK:

Create a *slogan* (a short easily remembered phrase).

5TH TASK:

After approval from the teacher, hang the poster on the school notice board.

Now, help the members of The *Treasure Club* complete the text for the notice board.

Key-words and expressions: income/revenue • expense/expenditure • savings
• weekly pocket-money • current account • savings account

Eureka!

EDITOR: The TREASURE Club

NOTICE BOARD

YEAR 1 | N.º 3

Warning!

It's important to include in the household budget an amount to set aside as _____. This is prudent and it allows families to:

- have an emergency fund which allows the families to face an unforeseen loss of _____; to face an increase on the family _____ or to face an unexpected _____.
- to make long term plans for acquiring certain goods.
- to supplement a pension.

Information

You can keep your savings in a _____, which you and your parents will be co-holders of. You can also have a _____ and witness your savings increase, because you will receive interest on the amount held – a kind of reward for having your money deposited in the bank.

Always remember

Many a mickle makes a muckle – this is the secret for good household financial management. *Saving for a rainy day* – is the key to the success of a well-planned life project.

Of interest

The story of the piggy bank

Almost all of us have had a piggy bank. But why a pig and not any other animal? Here is one of the explanations: during the Middle Ages, English people used dishes and pots made of an orange-coloured clay called *pygg*. When folk managed save an extra coin or two, they would drop them into one of their clay jars – a *pygg* pot and they would call it a *pygg bank*. In the 19th century, someone ordered a *pygg* bank from a potter. The potter confused the word *pygg* with pig and made a pot in the shape of a pig, a pig bank. This mistake was the origin of utilising the pig as a symbol for savings, spreading piggy banks all over the world.

Advice

When you have a project, believe it is worth while to fight for it. Sometimes it is necessary to have long-term plans to achieve a much wished-for objective. Organise your _____ plan in three steps:

- define a _____ objective;
- save part of your _____ in the piggy bank;
- talk to your parents about the possibility of opening a _____ to deposit your savings.

And don't forget: *Many a mickle makes a muckle/A penny saved is a penny earned.*

... by the way:

Are there advantages in saving part of one's pocket money?

Participate in *Eureka!*, record your opinion below. Your knowledge on savings can help you substantiate your statements.

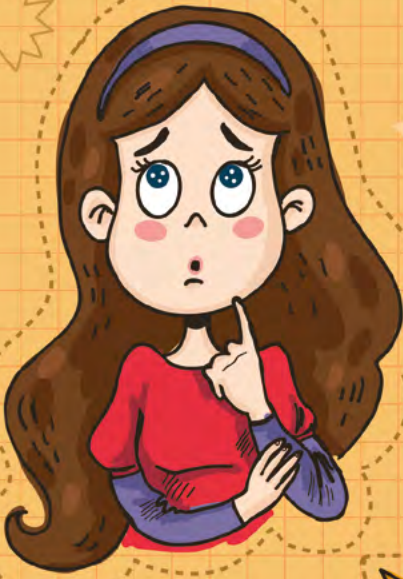
(If you would rather, please debate the subject within your work group so you can find an answer together.)

UNCERTAINTY

danger

4.

RISK AND UNCERTAINTY



DANGER!

insecurity

risk

uncertainty

An ounce of prevention... is worth a pound of cure

Text of Maria da Conceição Vicente



Clara couldn't believe what had happened: **Tuppence** the dog had chewed up the financial record sheet for the savings of the School Trip Club.

'This dog is going from bad to worse! When he doesn't get enough attention he just misbehaves...'

'Don't blame the poor dog!' said her father 'You were the one who **didn't foresee the RISK**, and left the sheet lying around on top of a chair, from which it fell straight into his mouth.'

'There you go Little Sis,' Thomas was quick to add 'as Grandpa often says **an ounce of prevention is worth a pound of cure**. And if you're not constantly vigilant you risk losing your post as club treasurer...'

'Shut up Thomas, less talk more action! How am I going to break this news to Mr Higgins?' responded Clara.

'Make sure you don't tell him that your family never talks to you about **assessing risk in life**' said Mum. 'This Tuppence incident is a very good example: had you thought then what could happen later you wouldn't have lost the sheet. One must always bare in mind that **"THE FUTURE IS A PRODUCT OF THE PRESENT."**

'That's all very well Mum but the 'present' is how I deal with this problem now. Tomorrow is another day!' said Clara. And she left for school in a huff, with her brother Thomas in tow. Tuppence followed them to the front door, looking sad, with his ears back. It looked like he understood why nobody was paying any attention to him!





Clara kept quiet all the way to school. Unlike her usual self, she entered the classroom, said a rather quiet good morning to everyone, and sat down in silence. **'Something is brewing!'** thought her colleagues who exchanged complicit looks amongst themselves, alert to the heavy silence. Finally Clara perked up the courage to speak, and told her colleagues and Mr Higgins what had happened. Thomas tried to lighten up the atmosphere by saying 'Clara didn't know that **'an ounce of prevention...'**

'... is worth a pound of cure!' swiftly said Mr Higgins interrupting Thomas. 'For what it's worth and because I know these things can happen, I have a **backup** file on my computer with a copy of all the records on the balance sheet'.

"Cool!", "That's brilliant!", "Sir is the best!" exclaimed the children in a mixture of happiness and relief, which led to a more relaxed atmosphere.

Lizzie said **'Sir played safe, he ensured...'**

'Insurance?...did anybody just mentioned insurance? As it happens, my dad was just talking about it at home' said Rod who had just entered the room late, only catching the end of the conversation.

'Your dad talked about what?...What are you on about Rod? Explain yourself.'

'Dad said he had to take out insurance for the new car. He recently traded in his car ...'

'Well, of course he did!' said Mr Higgins. 'Don't you know that by law a car must be insured?'

'I'm not getting it' interrupted Milly 'Does being insured mean ensuring something?'

'Yes and no' Sir tried to explain. 'As you well know the meaning of words depends upon the context. The words *assure*, *ensure* and *insure* all derive from the Latin word *securus* meaning "safe". The word **insurance** can be used to express any means of guaranteeing against loss or harm.' explained Mr Higgins. 'To take out insurance is to buy an insurance policy. This means to have a contract with the **insurers**, an agreement in which a policy-holder makes agreed payments to an insurance company, and the company promises to pay money for the damages resulting from unexpected events.'

'Ah! I think I get it!' said Milly 'If Rod's dad hits another car, the insurance company will pay for the damages, is that so Sir?'

'That is so - if Rod's dad is to blame for the accident. The insurance company will pay for the damages caused to the other car and its occupants. That is the reason why this type of motor insurance is called **third party insurance**.

'Don't the insurers get something in return?' asked Rod.

'Of course they do. In exchange for being insured one needs to pay the insurers a certain amount which is stated on the contract.'

And how much do we have to pay to take out insurance? enquired Milly.

'That depends. The amount varies case by case. Normally, the amount we have to pay the insurers is much lower than the amount the insurers have to pay us in case of damages resulting from an unexpected event which we insured against.'

'That is why my Grandpa always says that to take out insurance is a way of saving' Thomas added.

'Saving, but how? Don't we have to pay to get insurance?' Lizzie sounded doubtful, and everybody stopped to think about it.

'We do have to pay, but only a little at the time' said Clara 'and when something unexpected comes up which requires a large expense, the insurance kicks in, and your problem is solved.'



'That is right Clara' confirmed Mr Higgins. 'It is as if you are saving now to prevent eventual future expenses resulting from illness, or accident, or burglary - it depends on the type of insurance'.

'But my parents say that **saving is to put some money aside so one has it when needed**,' Milly interjected, 'and they are always saying that when my dad lost his job, the only way they were able to manage was because they had some savings in the bank'.

'Yes, quite right. The first thing my parents do when they receive their salaries is to transfer a certain amount to their savings account and only after that do they budget for the month' said Clara. 'They call it their **LITTLE TREASURE**'.

'Only sometimes the treasure gets eaten up' Thomas added. 'This week our fridge decided to stop working for good... so Dad had to go buy a new one, which amounted to a big bite out of the treasure!'

- 'Well, I hope that after this long conversation everybody has understood why **an ounce of prevention...**' said Mr Higgins

'... is worth a pound of cure!!!' the class shouted in unison.

At the bell, they all grabbed their school bags and left. They chatted about the subject as they made way down the corridor, until they reached the school yard, where other matters, all undoubtedly important, took over.



For starters...

1. Milly's parents worry about the future. Please read the previous passage again, and tell us about an unexpected situation they dealt with by using some of their savings.

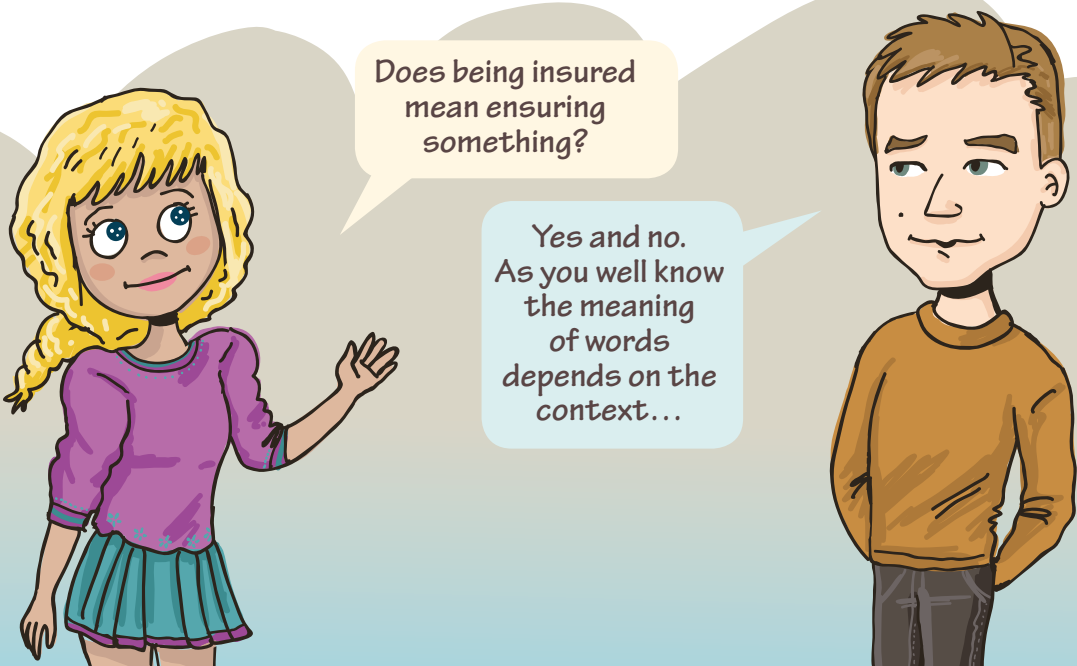
2. After the conversation with Mr Higgins, Lizzie wanted to find out how much her family's expenses for the current month came to. Besides the usual monthly expenses, her mother showed her the list below with other expenses for that month:

- Dad's haircut.
- Road tax.
- Driving licence for Lizzie's brother.
- A birthday present for Granny.
- Repairing the computer.
- Replacing Lizzie's lost mobile phone.
- Fixing the plumbing in the kitchen.
- Repairing mum's watch.

2.1. Underline in blue the expenses considered to be expected in the family (planned expenses), and underline in red those which are unexpected expenses resulting from unforeseen events (extraordinary expenses).

2.2. Lizzie's parents have home insurance. Which of the above expenses can be covered by home insurance?

3. Bearing in mind the comment by Mr Higgins:



3.1. Using a dictionary, please write down the meaning of the words in bold in the following sentences:

a. I am **sure** to get a good mark in the Portuguese test.

b. Lizzie's parents were **insured** for any health issues.

c. Do you know the price of the **premium** for your parent's car insurance?

d. Rod's mum was reluctant to pay a **premium** for organic fruit.

e. When one has an **accident** with the car, one must immediately inform the insurance company.

f. Rod won a prize totally by **accident**.

4. Rod's parents were always of the opinion that to take out insurance was a great way of preparing against unexpected situations. Please help Rod understand which type of insurance can be helpful in the case of each of the unexpected situations listed below. Match your answers between the two columns.

Insurance	Unexpected situations which can cause damages that demand repairs.
1 Health insurance.	<input type="checkbox"/> A tree branch broke the car's windscreen.
2 Car insurance (fully comprehensive).	<input type="checkbox"/> Breadcrumbs, the cat, needed surgery.
3 Home-owner insurance (multi-risk housing insurance).	1 Rod's sister needed to have the lenses in her glasses replaced.
4 Personal liability insurance.*	<input type="checkbox"/> A water leak damaged the flooring in the sitting room.
5 Pet insurance.	<input type="checkbox"/> Rod kicked a ball and broke the neighbour's window.

*Personal liability insurance provides coverage for bodily injury and property damage sustained by others for which you or your family members are legally responsible.

5. Talk to your parents about unexpected situations your family has had to face up to.

5.1. Please give examples of two risk situations which have resulted in unexpected expenses.

5.2. Could any of the situations you mentioned above be covered by insurance? Which one(s)?

6. Just as Mr Higgins mentioned, car insurance is compulsory. Talk to your parents about the existence of other types of compulsory insurance and their purpose.

7. Please try to find out examples of the need for insurance in our day-to-day life in newspaper or magazine articles. (If you prefer do this task with your group).

7.1. Select one of the news articles you have chosen and please explain the way in which an insurance policy helped people face an unexpected situation in which they found themselves.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Treasure CLUB IN ACTION!

The *Treasure Club's* next mission is to create a leaflet to be distributed amongst all parents and guardians, with the view to giving information about the importance of taking out insurance.

1ST TASK:

Plan the layout for the leaflet.



2ND TASK:

Write a passage of text about the importance of insurance.

Clues:

- to prepare against unexpected expenses;
- protection against various types of risk;
- to help turn high expenses into affordable costs;
- [...]

3RD TASK:

Write down a text aimed at convincing the readers of the advantages of taking out insurance.

Clues:

- create a *slogan* (a short easily remembered phrase).

4TH TASK:

Choose an image.



Clues:

- make the image adequate and suggestive of the text;
- consider using symbols commonly associated with 'insurance' (umbrella, padlock, helmet...), or maybe create a mascot.

5TH TASK:

With the teacher's assistance, distribute the leaflets to the target group.

Now, help the members of The *treasure* club complete the texts for the notice board.

Key words: risk(s) • saving(s) • insurers • insurance • unexpected expenses • loss(es) • premium • insurance policy

Eureka!

EDITOR: The TREASURE Club

NOTICE BOARD

YEAR 1 | N.º 4

Warning!

To prepare against _____, the families should:

- be in the habit of _____,
- take out _____ in order to protect against risks, since in this way, unexpected expenses associated with health, household, car, third party damages and so forth, will be covered.

Always remember

Better safe than sorry – it's common sense! _____ and _____ are two good prevention remedies for _____.

... by the way:

If you have insurance do you still need to have savings?

Participate in *Eureka!*, record your opinion below. Your knowledge on insurance can help you substantiate your statements.

(If you would rather, please debate the subject within your work group so you can find an answer together.)

Informação

There are several types of _____. Some cover _____ to property (car insurance, household insurance...); others cover _____ to people (health insurance, life insurance, personal liability...). Some types of insurance may be compulsory, like third party cover car insurance or fire insurance. The amount one pays to the _____ for the cover is called insurance _____.

Advice

An _____ is an agreement between two parties, therefore implying rights and obligations. Before one takes out an _____, one must know of:

- the _____ which are covered;
- the insurance _____ (amount one pays the insurers), paga à seguradora).

Of interest

In Portugal, the history of insurance goes back to the 13th century, when King Dinis in the 1293 *regis carta*, confirmed the existence of the Merchants Exchange, which had been created by merchants in the city of Porto. The Merchants agreed on the creation of a communal fund whereby compensation to damages suffered by the merchant's ships in foreign ports would be given using the money in the fund.

Later, in 1380 King Fernando created the Ship Company, an institution similar to an insurance company of nowadays: the ship merchants would contribute an amount to a communal fund which corresponded to a percentage of the profits of each ship's trip. In exchange the merchants would receive an assurance for safety and payment covering any loss or serious damage to the ship, caused by wreck or any other maritime accident.



5.

MEANS OF
PAYMENT

Those knowledgeable about buying... are knowledgeable about paying.

Text of Maria da Conceição Vicente



A coach parked outside school first thing in the morning came as a surprise for many of the pupils. But, for the members of the *Treasure Club* it was time to rejoice. The day had come, for the long-awaited school trip. The group surrounded Mr Higgins and after the register was done the children were allowed onto the bus. **'I want to sit by the window...'**, **'This side, is the sunny side!'**, **'Come join us at the back!...'** – sounded the various children's voices, all part of the usual hustle and bustle one finds at the start of a school trip.

When everybody was sitting down, Rod got up, went straight to Thomas, who was in a seat at the front, and said 'I'll swap you your seat for two sweets, deal?'

'Now, hold on!' Thomas said, 'this seat is worth much more than two sweets!'

'I'll swap it for five sweets!' prompted Milly, attentive to Rod's proposal. 'Go on Thomas, let me have your seat so I can enjoy a great view.'

'What's this all about?' queried Mr Higgins, having heard their conversation. 'You should all go on foot instead of by coach: you're all behaving like pre-historic people. In those days business was done through direct exchange.'

'What were those business exchanges like Sir?' asked Lizzie.

'I know about it' said Clara. **'You would barter'**, but there was no pre-arranged price, the same for all members of the community, so it was necessary for buyer and seller to agree on the payment, just like what you were doing by 'negotiating' with Thomas for his seat. That's the way it was done before **money** was invented.'

'The invention of money allowed for the establishment of a **price**, which is to say, the attribution of a specific value to each product' said Thomas who, just like Clara had learnt about the history of money during the previous year, and who had also read about the subject.

'That happened because money was used as a **UNIT FOR VALUE**' Mr Higgins took the chance to explain. 'The same way we use the unit of the **litre** to measure liquids, or the unit of the **metre** to measure length, we nowadays have currency to 'measure' the value of a given object. In this country we have the **Euro**, which is the official currency for countries in the Euro Zone.'

'That's why we know we can't buy a coach like this one with a five euro note' Clara joked, causing a round of laughter from her colleagues.

'But with a five euro note I can go to the cinema... on my own though.' said Milly.

'Of course!' Lizzie concluded, 'and we all know how many Euros we had to save in the piggy bank before we could pay for this school trip'.

'And if we have a piggy bank, we don't fill it up with beans! We need coins!' Rod added, which prompted Sir to explain:

'This is because currency also works as a **reserve**. It is in currency – in our case the Euro – that we create our savings. This allows us to know the value of our savings, as well as having them available to cover any expense.'

The conversation had been so animated nobody noticed time passing and soon enough they had reached the picnic area which was near a service station. They stopped for some snack and to stretch their legs. Before they got back on the coach Thomas wanted to go buy some water.

'Clara have you got any change handy? Thomas asked his sister 'I don't want to pay for the water bottle with a banknote...'

'Pay with your bank card or are you already in the red?' Rod joked, making everybody laugh again.

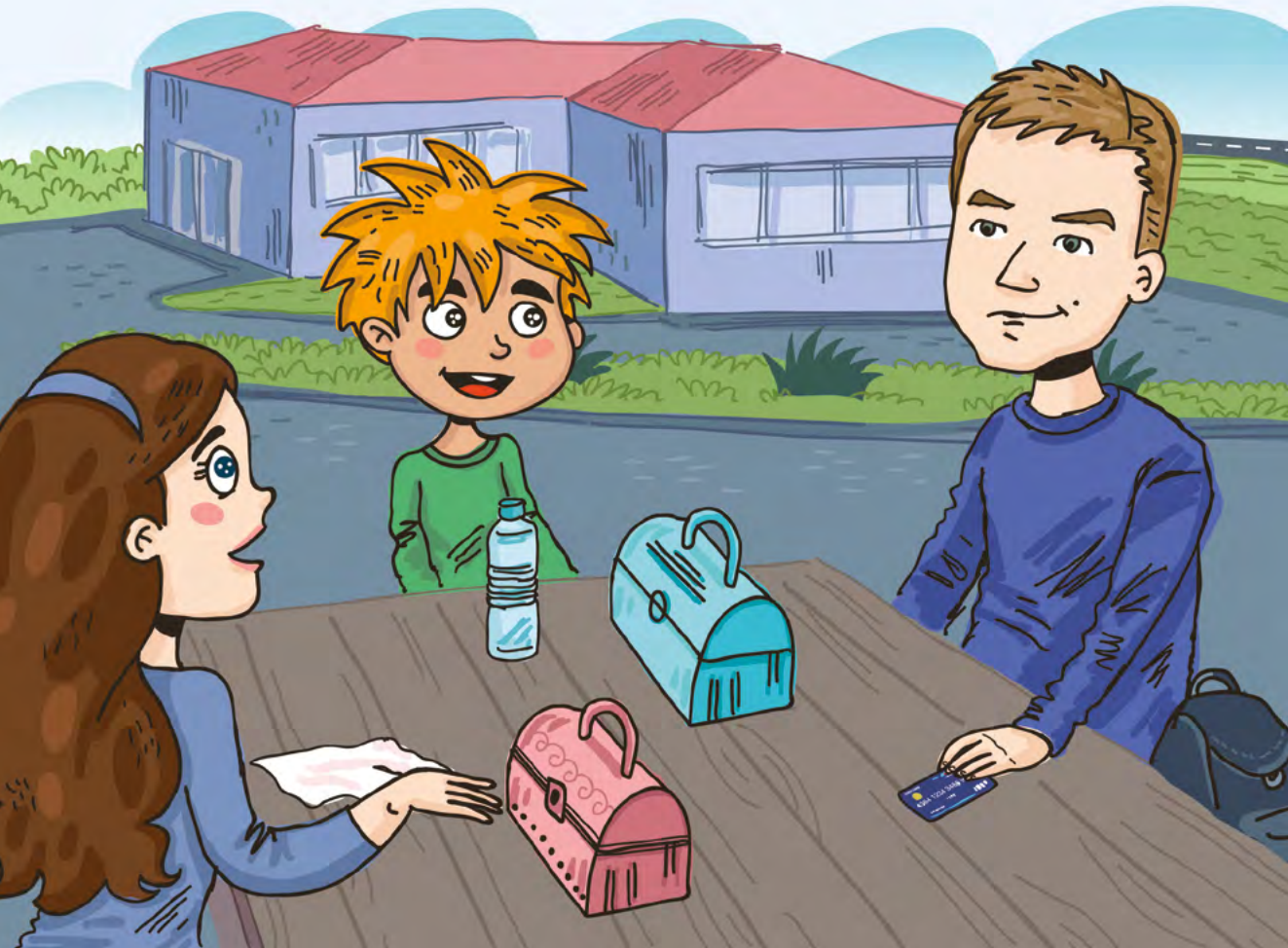
'Very well!' said Mr Higgins 'it looks like you all know how to match payment type to purchase: preferably use **coins for small amounts; notes for medium amounts; and card payments for larger amounts**. Having said that... don't tell me I forgot to bring the club's bank card to pay everybody's lunch?'

Mr Higgins searched through his bag, his wallet, his pocket...

'Ah! It's here, inside the folder for the trip documents!' Sir said with relief. 'I remember now: I didn't put it in my wallet, to avoid getting it mixed up with my own bank cards. Here is the card for the club account I opened.'

'I thought we only needed a single bank card...' said Thomas.

'No Thomas. Of course, every account has its own corresponding bank card! You can only use the card for each particular account, and only if you have



money in the balance for that particular account. Money only comes out if there is already some in. That is why the cards are called **debit cards**.'

'About that, I know a bit Sir', Thomas clarified. 'My parents use their debit cards both for shopping, and for checking the balance on the account. And, whenever needed they also withdraw money from the account with them, and use them to top up mobile phones... and also transfer money from one account to another...'

'Then, if Sir hadn't brought the card with him, we wouldn't be able to pay for our lunches?' asked Milly.

'No, not from the club's account. But we wouldn't have been without lunch as I'm sure our colleagues from the school where we are having lunch would have let us eat and pay later. They would have trusted me to go to a **cashpoint (an ATM machine)** the minute we got back home and do a **transfer** from our account to theirs...'

'Isn't a cashpoint the machine used in shops to make payments, where we key-in the PIN number for our account?'

'No, Lizzie' Sir clarified. 'That 'machine' is a payment terminal. It works only for making payments'.

'And does each card have a **secret PIN number**, Sir?' asked Rod. 'Why is that so?'

'Each card is associated to an account and the PIN (Personal Identification Number) is a code that only the **account holder** knows, and this way it assures that only the account holder himself can operate the account'.

'**What if the account has more than one account holder?**' Thomas wanted to know.

'In that case, each of the account holders has his own bank card associated with the account. The PIN number is a personal and secret code.'

Meanwhile somebody put a CD on and music took over the atmosphere in the coach. This was a good pretext to choose an 'official' DJ for the trip who would be in charge of the music choices. From listening to the music, to singing along with the music at full volume was a quick step for all the children. And entertained by the top musical hits they arrived at the school where they were expected for lunch. The headmaster came out to welcome them and to take them to the dining hall, where their colleagues from elementary education were already waiting to host them.

'**Your school is awesome!**', 'Are you year 6 or 7?', 'Have you been to the Money Museum?', 'Have you been to the Insurance Exhibition?', 'Look over here – such cool work on the notice boards!...'

Everything was the subject of animated conversation. At the end of lunch the children swapped contacts...mobile numbers, email addresses and so on were exchanged amidst some sadness as they had to leave.

During the afternoon they got on with their scheduled museum and exhibition visits. They learnt a lot about the history of money and insurance, and how the **STOCK EXCHANGE** works. Back on the coach for the trip home the conversation changed in tune:

'Mr Higgins when is our next school trip?' Lizzie asked.



'But Lizzie - we haven't even finished our first one and...' Sir didn't have time to finish his sentence, as it was met by a storm of comments: **'Have you thought about it Sir?'; 'This school trip was awesome!...'; 'Please Sir - do you think we can do nothing but school trips?' ... 'that would be it!...'; 'What about if we went abroad? That would be really awesome, Bro!'**

'There's a good idea!' Clara shouted. 'Sir? Couldn't we do an exchange with a foreign school?' 'What about France Sir! Let's go to Paris... visit the Eiffel Tower, sail the river Seine in a *bateau-mouche*, go to the Louvre Museum, and to the cathedral of Notre Dame...' Lizzie's suggestions came so fast and furious that Mr Higgins hardly had the opportunity to respond. Finally, Sir managed to get a few words in edgeways:

'This is something we can think about... but steady on, let's think about it calmly.'

'Oh Sir we will think about it calmly, but in my opinion we should go to a different country...' Thomas pitched in.

'To Denmark, or Sweden... where it's cold, very cold, with lots of snow and skiing...' Milly suggested.

'But Milly have you thought about the fact that in Denmark or Sweden you couldn't use euros to buy even a sweet?'

'We would barter with seashells... or stones, like in pre-historic times; or barter with salt like it was done before money was invented...but isn't Sweden in Europe?' His enthusiasm was such that Rod couldn't even finish his own sentences.

'Sweden is in Europe but is not part of the **Euro Zone**' Thomas replied.

'Go on Sir' Lizzie insisted 'Can we start planning our trip to France? May we put it to paper?'

'We may, we could... Let's dream about it, because dreaming is the only thing we can do in bucketloads!... in this case French bucketloads!'

Mr Higgins's comment caused general laughter in the coach. But the fact is, that the word 'abroad' had worked like a *STOP* word and all the members of the club stopped to think. This also led to a much-needed moment of stillness and silence, after such a full day of adventure and novelty.

At the end of the day everybody got home with an empty school bag, but nevertheless everybody was ready to fill it up again with dreams of a new project and new adventures.



For starters...

1. As soon as the children got on the bus, Rod tried to 'negotiate' to get Thomas' seat, a situation Mr Higgins took advantage of to talk about the history of money.

1.1. Based on the information given by Mr Higgins and Clara in the initial dialogue in the text above, please explain how "bartering" used to work in business.

1.2. What is the most inconvenient about bartering?

1.3. Establish a chronological order for the different phases in the history of money. Please put in order from 1 to 5 the following texts. (If required ask a grown-up for help or go on line.)

☐ Paper money


With the development of trade, merchants needed to travel from place to place with their merchandise. To transport huge amount of coins was a nuisance and also dangerous. So merchants started to leave their money with trustworthy people for safekeeping who in return would give the merchants, by way of guarantee, a document showing the amount of money left in their trust: a **receipt**. From a given moment on payments started to be made not with the coins left in trust, but with the **receipts** themselves – which were proof of the existence of the money. Therein lies the origin of the first banks and the first bank notes.

☐ Debit card


With the development of technology, payment cards made their appearance. An account holder is, amongst other things, able to give an order of payment using a debit card with an associated secret security code (PIN).

☐ Coins


When people learnt to work precious metals like gold, silver and copper, these started to become used in commercial exchanges. To make the task easier, people made little metal plates of a certain weight which corresponded to a pre-established value. From then on it was no longer necessary to weigh them, instead one could count them as units in order to achieve the amount needed. Thus were born the first coins.

☐ Goods used as currency


The first types of currency were sea shells, stones, furs, and cowries. Certain merchandise was also used as currency because they were so valuable, like cattle and salt. People used these for bartering.

☒ 1 Bartering


The first commercial transactions were done by bartering, exchanging one product for another.

2. The invention of currency represents a big step forward in the history of mankind. Please explain the three essential functions of currency using the information given in the text above.

a. Unit of value → _____

b. Reserve value → _____

c. Means of payment → _____

3. Like Mr Higgins pointed out to the club members "[...] it looks like you all know how to match payment type to purchase [...]". Please indicate below which type of payment you would choose for the following purchases. (Use the information given on the passage above.)

a. A bicycle → _____

b. An eraser → _____

c. A pair of trainers → _____

d. A surf board → _____

e. A packet of chewing gum → _____

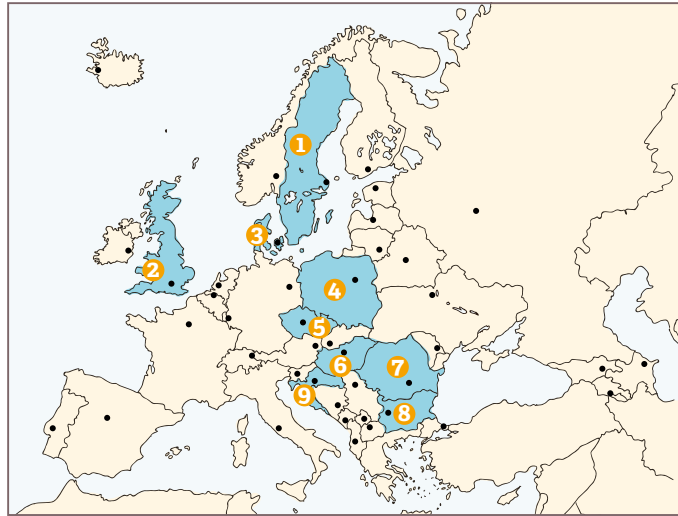
f. A book → _____

4. "Clara, have you got some change handy? [...] I don't want to pay for a bottle of water with a banknote...". Clara gave Thomas a 2,00 € coin, to pay for two water bottles, at 0,60 € each. What was the amount in change Thomas gave back to his sister?

5. "My parents always use their debit card [...]". This happens because the use of a debit card facilitates ease of access to the main account movements needed in our day to day life. Please show you understand these transactions by matching the items in two columns below.

Use of a debit card	Bank transactions
<input type="checkbox"/> 1 To pay for Road Tax.	<input checked="" type="checkbox"/> 3 Withdrawal.
<input type="checkbox"/> 2 To check if mum's salary has entered the account.	<input type="checkbox"/> Services payment.
<input type="checkbox"/> 3 To get 20,00 € for Clara, to pay for her trip to the cinema with her cousins.	<input type="checkbox"/> Account movements consultation.
<input type="checkbox"/> 4 To deposit in Thomas' account the sum of 50,00 € as his birthday present.	<input type="checkbox"/> Bank transfer.
<input type="checkbox"/> 5 Payment for television and broadband.	<input type="checkbox"/> State tax payments.

6. As Mr Higgins noted "[...] in Denmark or Sweden you couldn't use Euros to buy even a sweet". This is the case because, whilst these countries are part of the EU, neither Sweden nor Denmark are one of the EU member states which have adopted the Euro [€] as their common currency and sole legal tender – the countries in the Euro Zone.



6.1. The countries which don't belong to the eurozone are marked in blue on the map below. Please consult a map of Europe and name these countries under the given numbers.

Countries which are not part of the Euro Zone	Currency of the countries which are not part of the Euro Zone
1. _____ •	• Hungarian Forint
2. <u>United Kingdom</u> •	• Romanian Leu
3. _____ •	• Croatian Kuna
4. _____ •	• Bulgarian Lev
5. _____ •	• Pound Sterling
6. _____ •	• Danish Krone
7. _____ •	• Swedish Krona
8. _____ •	• Czech Koruna
9. _____ •	• Polish Zloty

6.2. Please use an arrow to link each of the countries with its own currency.

7. Please complete the list below of some of the countries which do not belong to the EU and their respective currencies. (Gather the information on line or ask a grown-up for help.)

Non EU countries	Currency in non EU countries
• South Africa	• _____
• Angola	• kwanza
• _____	• real
• Cape Verde	• _____
• China	• renmimbi yuan
• USA	• _____
• India	• _____
• _____	• yen
• _____	• pataca
• Mozambique	• _____
• _____	• ruble
• St Thomas and Prince Islands	• _____

Treasure CLUB IN ACTION!

A suspect banknote of 20,00 € (Europa series) was used to make a payment at the school cafeteria. The *treasure club* has, as a mission, to identify if it is a fake note.

1ST TASK:



Gather and record information on the safety elements of the Euro notes of the Europa series, in other words identify the characteristics which make the reproduction of such notes difficult: (Please use the site New Euro Banknotes www.new-euro-banknotes.eu/)

- **Paper:** _____
- **Raised print:** _____
- **Portrait window:** _____
- **Portrait watermark:** *Look at the banknote against the light. A faint image becomes visible and shows a portrait of Europa (a figure from Greek mythology), the value of the banknote and the main image.*
- **Security thread:** _____
- **Hologram:** _____
- **Emerald number:** _____

2ND TASK:

Study the note in three steps:

(Please use the site New Euro Banknotes: www.new-euro-banknotes.eu/)



Feel → to check _____ and _____ .

Look → to verify the existence of **1** _____ ;

2 _____ **3** _____ .

Tilt → to confirm if you can see Europa's portrait in a transparent window, and if the shiny number on the bottom left changes colour (between dark blue and emerald green) and has a luminous effect when you tilt the note up and down.

Please help the members of the *Treasure Club* complete the text for the notice board using the following key-words.

Key-words: coin(s) • currency • note(s)/banknotes • euro • debit card • PIN number • secret code

Eureka!

EDITOR: The TREASURE Club

NOTICE BOARD

YEAR 1 | N.º 5

Warning!

When travelling abroad one must be aware of the _____ of the country of destination:

- Of the EU member countries, only 19, including Portugal, joined the _____ – these countries constitute the Euro Zone.
- The EU countries which didn't join the _____ and the countries in other continents have their own _____ which must be used by those visiting.

Information

_____, _____ or _____ are means of payment we should use, according to the type of service or goods we want to pay for. The _____ is a very handy means of payment. It is always associated with a current account, allowing the account-holder to not only make payments, but also make other bank transactions. Each bank card has its own PIN (*personal identification number*): a _____ which should be only known by the card holder in order to guarantee nobody else has access to the associated current account.

Advice

To minimise the risk of undue use of the _____ we strongly advise the holder to:

- keep it in a safe place.
- never allow anybody else to use it.
- never reveal the _____ to other people.
- memorize the _____.

Always remember

The movements in our current account must be checked regularly, to make sure nobody is using our _____ without our knowledge.

If our _____ is lost or stolen, we must immediately notify our bank.

... by the way:

When we are abroad, can we use our debit card for shopping?

Participate in *Eureka!*, record your opinion below.

(Go on line to gather information, or if you prefer, ask a grown-up for help).

Of interest

The word **money** originates from the latin word *moneta* (of the verb *monere* = to alert, to warn). This was the title Romans gave to the goddess Juno, as they believed she warned them against imminent and perilous attacks. The goddess had from then on the title Juno Moneta (Juno, the warning one). Because in Rome, money was minted in Juno's temple, each of the small minted metal pieces were named *moneta*. The first *moneta* with similar characteristics to the coinage of today were minted in Greece, in the seventh century BC. In the Roman currency system the *denarius* was a small silver coin that was widely used in the Roman Empire. It saw its name generalise into many terms relating monetary value. It is the origin of the common noun for money in countries like Portugal (*dinheiro*), Italy (*denaro*) or Spain (*dinero*).



ANSWERS



NEEDS AND WISHES

For starters... (Page 10)

1.

B. cinema, glasses, dentist, milk, bracelet, concert, **oven**, cookies, magazine, hoover, console, shoes.

C. Bag A: cinema, bracelet, concert, cookies, magazine, console. **Bag B:** glasses, dentist, milk, **oven**, hoover, shoes.

2.

B	L	C	A	L	C	U	L	A	T	O	R	P
A	A	Q	H	V	U	N	O	L	D	Z	A	U
L	M	B	I	C	Y	C	L	E	T	A	T	M
L	N	D	T	O	P	X	D	L	N	U	F	L
P	U	N	A	S	A	I	S	K	A	T	E	S
O	N	E	I	B	C	B	T	H	O	Z	S	E
I	R	A	V	A	N	L	M	E	A	X	C	R
N	L	J	S	C	E	Z	I	Q	R	U	S	L
T	I	X	A	K	D	T	A	B	L	E	T	M
F	D	O	R	P	F	R	U	Y	V	N	D	E
I	T	B	N	A	K	E	J	P	I	G	H	A
Y	A	L	T	C	X	S	K	U	S	N	D	R
A	V	G	L	K	F	J	A	C	N	D	E	L

Essential objects: backpack, calculator, ballpoint.

Superfluous objects: bicycle, tablet, skates.

3. A a compulsory reading book for Portuguese class; a lunch voucher for the school canteen; a new pair of Sabrina shoes to replace the ones which no longer fit.

B a skirt like Clara's which Milly doesn't wear as it doesn't suit her; a new mobile phone case which happened to be the wrong model.

4. Needs: Winter boots; Warm coat; **PE kit;** **Dentist appointment.** **Wishes:** Most recent mobile model; Favourite band merchandise t-shirt; **Designer trainers;** **Daily snacks at the Cafe.**

4.1. Own answer.

4.2. Chewing Gum; Scented pens; Sweets from the corner shop; Magazines; Beads to make bracelets.

5. Durable goods: tables, chairs, computer, whiteboard, projector, printer, calculator; **Non-durable goods:** paper, pencils, marker pens, inkjet, erasers.

6.

6.1. Dad – [...] This is a **short / long** term necessity. [...] to get a new boiler is actually a **short / long** term necessity; **Dad** – That is surely a **short / long** term necessity [...].

6.2.

1. A Cut one's coat according to one's cloth.

B Do as you may, if you can't do as you could.

2. Own answer.

Treasure CLUB IN ACTION! (Page 15)

Own answer. (The proposed activities are to be done in a group – reduced and/or increased group – which will allow for oral and written expression objectives required in the syllabus for elementary education.)

Eureka! NOTICE BOARD (Page 16)

WARNING! (in order): wishes, needs.

ADVICE (in order): needs, wishes.

ALWAYS REMEMBER: wishes.

... by the way: – own answer.

EXPENSES AND INCOME

For starters... (Page 22)

1. R Granny's pension.; Dad's salary.; Mum's salary.; Dad's overtime payment.; Christmas wreaths made by Granny, for selling.

E Gas and Electricity; Water; Travel card; Groceries / supermarket; The clothes iron repair; Replacing mum's glasses broken lens; Theatre tickets; Milly's weekly pocket money; New cover for the tablet; Car instalment; Car and household insurance; Meal out on Sunday; Urgent appointment at the Vet; Mobile phone payment.

1.1. A Gas and Electricity; Water; Travel card; Groceries / supermarket; The clothes iron repair; Replacing mum's glasses broken lens; Milly's weekly pocket money; Car instalment; Car and household insurance; Urgent appointment at the Vets; Mobile phone payment.

B Theatre tickets; New cover for the tablet; Meal out on Sunday.

1.2. The clothes iron repair; Replacing mum's glasses broken lens; Urgent appointment at the Vets.

1.3. Own answer.

1.4. Dad's overtime payment.; Christmas wreaths made by Granny, for selling.

2. a. variable; **b.** fixed.

2.1. a. To stop brushing your teeth using a running tap and instead to make use of a cup; to have a shower instead of running a bath (or something equivalent, adopting behaviours conducive to reducing consumption); **b.** Switch on a desk lamp when studying, instead of the light in the ceiling, which tends to be of higher voltage; remember to switch off the lights in the corridor or other passage areas; switch on the lights only when it gets darker in the day (or something equivalent, adopting behaviours conducive to reducing consumption).

3. We know the expenses with food are variable, therefore it is possible to reduce the expenditure by controlling the spending. This is valid not only for food shopping (quantity and price) but also for cooking (mainly in water and energy consumption). When saving, every penny counts. If one is careful 'with every penny' in one's expenses, the end result will be a considerable saving, and therefore an increase of the patrimony (or something equivalent)

4. A cream doughnut every day after school; Fluorescent marker pens; New hair clips; A bar of chocolate before first period; every day; Sweets.

5. To buy the lunch voucher past the deadline, incurring a fine; To buy snacks at the school canteen instead of bringing them from home.

6.

6.1. Total expenditure: **16,50 €**. Balance: **- 1,50 €**. In this first attempt Rod would have a negative balance of 1,50€, because his planned expenditure exceeds his revenue. Therefore, he must rethink his budget trying to reduce his expenses (or equivalent)

6.2. Bring snacks from home, at least once a week, or reduce the spending with snacks opting for buying cheaper ones. Reduce or avoid all together buying ice creams, chewing gum and stickers (or something equivalent, reducing the superfluous expenses and/ or opting for lower prices for the necessary expenses).

6.3.

(or equivalent, as long as the balance is 3,00 €)

ROD'S BUDGET – 2 nd attempt	
Revenue:	Expenditure:
Weekly pocket money: 15,00 €	Morning snacks (5 days): 4,00 €
	Afternoon snacks (3 days): 3,00 €
	Bottle of water for PE: 0,50 €
	Ice cream after school (2 days): 2,00 €
	Chewing gum (1 pack): 1,00 €
	Stickers (3 pads): 1,50 €
	Total: 12,00 €
Balance: 3,00 €	

7. **N** Make your own bed everyday; Load the dishwasher at breakfast; Clear the table at supper.

Y Help Miss Amelie carry her food shopping every Saturday; Look after the neighbours' dog when they are away for the weekend; Look after her uncle's canary when they are away on holiday.

8. Own answer (bearing in mind that there are expenses which should be paid for with pocket money in order to learn how to use money, and other expenses which should be supported by the parents out of the household budget).

9. **F** one does not need to think if it is opportune; one does not need to give any guarantee of being able to repay the money; it doesn't matter how old you are; one doesn't need to worry about expenses which might crop up in the future; **T** one pays more for the acquired goods; one can immediately buy, not needing to wait enough time to save the necessary money; one must reflect before buying, trying to understand if getting a loan to acquire something is justified; one must evaluate if the agreement can be met in order not to be penalised if one can't honour the agreement.

10.

10.1. "[...] had to take a loan in order to buy a new car because it was such a great expense although very necessary. They both needed it to get to work"; "[...] Nevertheless they saved for ages to have a reasonable amount as down payment in order not to ask the bank for a great amount of money."

Treasure CLUB IN ACTION! (Page 27)

1st, 2nd and 3rd tasks:

SCHOOL TRIP BUDGET			
Revenue:		Expenditure:	
Fixed: 500,00 € (pocket money savings)		Transport (return trip): 500,00 €	
Extraordinary: (sale of objects made in class)		Lunch: (1,50€ x 50): 75,00 €	
Book markers (100 x 0,10 €): 10,00 €		Cardboard sheets: 15,00 €	
Coasters (50 x 1,00 €): 50,00 €		Paints: 35,00 €	
Dream catchers: (15 x 3,00 €): 45,00 €			
Stands for bracelets: (10 x 2,50 €): 25,00 €			
Mobiles: (5 x 4,00 €): 20,00 €			
Total: 650,00 €		Total: 625,00 €	
Balance: 25,00 €			

4th task: 5 (five).

Eureka! NOTICE BOARD (Page 28)

WARNING! (in order): revenue, expenditure, expenditure, revenue, expenditure.

ADVICE (in order): expenditure, revenue.

ALWAYS REMEMBER: (in order): expenditure, revenue.

... **by the way:**– own answer.

SAVINGS

Para começo de conversa... (Page 34)

1.

1.1. 1,00 €

2. Ten weeks.

3.

3.1. In order to have the money safely kept, the moment they managed to save 100,00 €, which was the minimum amount the chosen bank requested, the pupils at the club opened a current account. As the deposits were happening in dribs and drabs and it would also be necessary to make payments, this type of account was ideal for the club's account purpose because it allowed for withdrawals and deposits whenever needed (or something equivalent). The account was opened in the club's name and Mr Higgins and Clara, the club's treasurer, were the account holders.

4.

4.1. 200,00 €

4.2.

4.2.1. 240,00 €

5. 📱 Mobile phone top up.; Transfer of 100,00 € to grand-parents account.; Purchase of a dress; Cash withdrawal for daily expenses; Supermarket purchase; Broadband bill; ➕ Transfer for salary payment; Transfer for overtime work payment; Money in from sale of mum's handmade key rings.

6. 150,00 €

6.1. 350,00 €

6.1.1. 100,00 €

6.2. There will be a reduction in the monthly revenue for the Cashes. If the Cashes don't change some expenses, their budget will be negative. They have to recalculate their budget, by reduced or eliminated some expenses.

6.3. Reduce personal expenses and/or clothing/shoes expenses. Eliminate expenses with travelling, books and cinema. It is possible to reduce the expenses on water, gas and electricity bills if you rationalise consumption. Food expenditure can also be reduced without compromising good healthy eating habits. (or equivalent).

6.4. 3.600,00 €.

7.

7.1. Five months.

7.2. 500,00€ ➕ 260.00 € (annual savings on weekly pocket money: 5,00 € x 52 weeks) + 120,00 € (annual income from payment for small chores: 10,00 € x 12 months) + 70,00€ + 50,00€.

7.3. 5,00€

Treasure CLUB IN ACTION! (Page 37)

Own answer.

Eureka! NOTICE BOARD (Page 38)

WARNING! (in order): savings; income/revenue; expenditure; expenses.

ADVICE (in order): savings; savings; weekly pocket money; savings account.

INFORMATION (in order): current account; savings account.

... **by the way:** – own answer.

RISK AND UNCERTAINTY

For starters... (Page 44)

1. Milly's dad was temporarily without a job, and he used his savings to deal with such an unexpected situation.

2.

2.1. **Planned expenses (underlined in blue):** Dad's haircut; Driving license for Lizzie's brother; Road tax; A birthday present for Granny. **Extraordinary expenses (underlined in red):** Repairing the computer; Fixing the plumbing in the kitchen; Replacing Lizzie's lost mobile phone; Repairing mum's watch.

2.2. Fixing the plumbing in the kitchen.

3.

3.1. **a.** certain of; **b.** protected by means of an insurance policy against loss of health; **c.** an amount to be paid for a contract of insurance; **d.** a sum added to an ordinary price or charge (surcharge); **e.** unfortunate incident which happens unexpectedly and unintentionally; **f.** by chance. (or equivalent)

4. (in order) 2, 5, 1, 3, 4,

5.

5.1. Own answer.

5.2. Own answer.

6. Own answer.

7.

7.1. Own answer.

Treasure CLUB IN ACTION! (Page 47)

Own answer.

Eureka! JORNAL DE PAREDE (Page 48)

WARNING! (in order): unexpected expenses, saving, insurance.

INFORMATION (in order): insurance, losses, risks, insurers, premium.

ADVICE (in order): insurance, insurance policy, risks/losses, premium.

ALWAYS REMEMBER (in order): savings, insurance, unexpected expenses.

... **by the way:** – own answer.

MEANS OF PAYMENT

For starters... (Page 54)

1.

1.1. People would exchange product for product. (or equivalent)

1.2. As there wasn't a fixed value for each product, it was necessary for buyer and seller to both agree on which products to exchange. (or equivalent)

1.3. **1** Bartering; **2** Goods used as currency; **3** Coins; **4** Paper money; **5** Debit card.

2. **a.** Currency works as a unit of value: in the same way we use the litre unit to measure liquids, or the metre unit to measure length, we nowadays have currency to 'measure' the value of a given thing. **b.** Currency also works as a reserve value. It is in currency that we create our savings. This allows us to know the value of our savings, as well as having them available for any expense we need or want to pay in the future. **c.** The fact that money (currency) functions as a unit of value, allows for each given product to have a price. Therefore, a product can be exchanged for a certain amount of money (currency), a price, of equal value.

3. a. debit card; b. coins (or change); c. banknotes or debit card; d. debit card; e. coins (or change); f. banknotes or debit card.

4. 0,80 €

5. (in order) 3, 5, 2, 4, 1.

6.

6.1. e 6.2.

Countries which are not part of the Euro Zone	Currency of the countries which are not part of the Euro Zone
1. Sweden	Hungarian Forint
2. United Kingdom	Romanian Leu
3. Denmark	Croatian Kuna
4. Poland	Bulgarian Lev
5. Czech Republic	Pound Sterling
6. Hungary	Danish Krona
7. Romania	Swedish Krona
8. Bulgaria	Czech Koruna
9. Croatia	Polish Zloty

7.

Non EU countries	Currency in Non EU countries
• South Africa	• rand
• Angola	• kwanza
• Brazil	• real
• Cape Verde	• escudo
• China	• renminbi yuan
• USA	• dollar
• India	• rupee
• Japan	• yen
• Macau	• pataca
• Mozambique	• metical
• Russia	• ruble
• St. Thomas and Prince Islands	• dobra

line. The € symbol and the value of the banknote can be seen in tiny white lettering in that stripe. **Portrait hologram:** The hologram - the silvery stripe on the right of the note - reveals a portrait of Europa (a figure from Greek mythology) as well as the € symbol, the main image and the value of the note. **Emerald Number:** The shiny number in the bottom left corner corresponds to the value of the note.

2nd task: **Feel** → to check paper and raised print.

Look → to verify the existence of; 1. Portrait Window; 2. Portrait watermark; 3. Security Thread.

Eureka! NOTICE BOARD (Page 58)

WARNING! (in order): currency, euro, euro, currency.

INFORMATION (in order): coins, banknotes, debit card; debit card, secret code.

ADVICE (in order): debit card, PIN number, PIN number.

ALWAYS REMEMBER: debit card, debit card.

... by the way: - own answer.

EUREKA!!!

Treasure CLUB IN ACTION! (Page 57)

1st task: Paper: Feel the banknote. It is crisp and firm.

Raised print: Feel the banknote. On the front, there is a series of short raised lines on the left and right edges. The main image, the lettering and the large value numeral also feel thicker. **Portrait window:** Look at the banknote against the light - the window near the top of the hologram becomes transparent and reveals a portrait of Europa on both sides of the note. **Portrait watermark:** Look at the banknote against the light. A faint image becomes visible and shows a portrait of Europa (a figure from Greek mythology), the value of the banknote and the main image. **Security thread:** Look at the banknote against the light. The security thread appears as a dark





TECHNICAL FILE

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The **Financial Education Workbook 2** for elementary education is to be used as a support for teachers and pupils in the approach to themes which are part of the Core Competencies for Financial Education. It can be used in the different curricular contexts of different subjects or as a support in complementary projects. The Core Competencies for Financial Education themes are used relying on game-based learning. Five short stories about pupils from elementary education, who are members of the *Treasure Club*, and their teacher. These stories are explored through activities which explain and complement the knowledge, attitudes and behaviours embodied in the narrative.

The publication of both this Financial Education Workbook, as well as the one already published for Primary school, follows an agreement celebrated between the Ministry of Education (through Direção-Geral da Educação), the financial supervisors (Banco de Portugal, the Portuguese Securities Market Commission and the Portuguese Insurance Pension Funds Supervisory Authority) and four financial sector associations (the Portuguese Banking Association, the Portuguese Association of Insurers, the Portuguese Association of Investment Funds, Pension Funds and Asset Management and the Association of Specialised Credit Institutions) within the National Plan for Financial Education.

The publication of this workbook is intended to support the financial education of young people with a view to assisting the development of responsible financial citizenship.



MINISTÉRIO DA EDUCAÇÃO

