**Family and Resource Management**

**Grade:** 10

**Topic:** Managing Family Resources

**Sub Topic:** The Nature of Money

Definition of terms:

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| **TERMINOLOGY** | **DEFINITION** |
| Money | Is anything that is generally and universally accepted for the payment of goods, services and debt. |
| Legal tender | Is money that by law must be accepted for payment of debt. |
| Income | Is the payment for mental and physical work or investment. |
| Gross income | Is the amount of salary or wages paid to the employer, before any deductions are taken |
| Net income | Is the portion of income received by the employee after government taxes and other dues have been deducted. |
| Expenditure | Is the amount of money that has been spent. |
| Fixed expenses | Are set amount of money that are usually paid during each time period. |
| Flexible expenses | Are expenses that come in varying /different amount during each time period. |
| Budgeting | Is the process of creating a plan to spend your money |

**ACTIVITY:**

1. Based on what you have learnt about fixed and flexible expenses, make a list of all the fixed expenses and another list of all the flexible expenses that is paid within your household.
2. Mr. Moore’s gross income is **$60,000.00** per month. **$5000.00** was deducted for income tax and **$1,000.00** for education tax, both of which are government taxes.

What is Mr. Moore’s net income?

1. Miss Harrison’s net income is $80,000.00 per month. Her fixed expenses amount to $23,000.00 and her flexible expenses amount to $32,000.00.
2. What is Miss Harrison total expenditure?
3. How much money is left for her to save?
4. Is the United State dollar a legal tender in Jamaica? YES / NO

Explain the reasons for the answer selected above.