Penny Explains

Key Stage 2 · Years 5 and 6 | Money basics | About 30 minutes

Choices: you can't have it all

Money can only be spent once. So what will you choose?

Answers and teaching notes

For the teacher

- **Aim:** Pupils understand that money can only be spent once, that needs come before wants, and that every choice has an opportunity cost: the thing you give up.
- **Curriculum links:** Financial Education Planning Framework, ages 9 to 11: becoming a critical consumer (spending choices, needs, wants and priorities). PSHE: economic wellbeing. Citizenship: making choices about money. Maths: adding and subtracting money.
- **Watch first:** the Penny Explains video "Choices: you can't have it all" at pennyexplains.com.
- **Starter:** Show a £10 note (or a picture of one). Offer two treats that cost £10 each and take a vote. Then ask: what did the winners give up?
- **Support:** Do activity 4 as a class. Say each choice out loud: "They chose this, so they gave up that."
- **Stretch:** Opportunity cost works for time too. Ask for the opportunity cost of an hour of gaming, or of a school spending its money on new laptops.
- **Total:** 39 points. Suggested answers are shown in red; accept any answer that is well reasoned.

I can...

- [ ] I can explain why needs come before wants.
- [ ] I can say what an opportunity cost is and find it in a choice.
- [ ] I can make a spending choice and give a reason for it.

Key words

Need: something you must have to live, learn and be safe.

Want: something nice to have, but you can manage without it.

Opportunity cost: the thing you give up when you choose something else.

Priority: the thing that matters most, so it comes first.

1 Fill the gaps

5 points

Use the words in the box to finish the sentences. Use each word once.

opportunity | need | twice | never | choice | once | want

Money can only be spent **once**. A **need** is something you must have, like food or a warm coat. A **want** is nice to have, but you can manage without it. When you pick one thing, the thing you give up is called the **opportunity** cost. A good **choice** is one you have thought about first.

2 Count the birthday money

2 points

Row a is Amara's birthday money. Row b is her brother Dev's. How much does each of them have?

a) 

Total: £20.00

b) 

Total: £9.00

3 Needs come first

8 points

Write each one in the right box.



Penny says: Some are tricky. Food is a need. A takeaway pizza treat is a want!

Bus fare to school · A games console · A takeaway pizza treat · School shoes that fit · A cinema trip · Lunch · The newest phone · A coat that keeps you warm

Need	Want
A coat that keeps you warm, Lunch, Bus fare to school, School shoes that fit	A cinema trip, The newest phone, A games console, A takeaway pizza treat

4 What did they give up?

10 points

Each person can only afford one of the two things. Fill in the opportunity cost and the money left.

Who	They want	They choose	Opportunity cost	Money left
Zak has £20	Art set £12 or skateboard £12	Skateboard	Art set	£8
Dev has £9	Comic £4 or kite £9	Kite	Comic	£0
Lena has £10	Swimming £6 or bowling £6	Bowling	Swimming	£4
Tom has £15	Football £11 or board game £13	Football	Board game	£4

a) Dev chose the kite. Could he have bought the comic as well? Explain how you know. 2 marks

> No. The kite used all of his £9 (£9 − £9 = £0). Both would cost £4 + £9 = £13.

5 What would you do?

6 points

Read the story, then answer the questions.



Amara has her **£20** birthday money. She rides her bike to school every day, but it has a flat tyre. A new inner tube costs **£6**. She would also love a cinema trip with her friends (**£12**) and a new game (**£9**).

a) What should Amara pay for first? Why? 2 marks

> The inner tube (£6). She needs her bike for school, and needs come first.

b) How much does she have left after that? Can she afford both the cinema trip and the game? 2 marks

> £20 – £6 = £14 left. No: £12 + £9 = £21, and £21 is more than £14.

c) What would you choose with the money that is left? What is your opportunity cost? 2 marks

> Own choice with a reason. Cinema: £14 – £12 = £2 left; the opportunity cost is the game. Game: £14 – £9 = £5 left; the opportunity cost is the cinema. Saving is fine too.

6 Unscramble the money words

5 points

The letters are mixed up. Use the clue to work out each word.

E O C I C H	Picking one thing instead of another	C H O I C E
E E D S N	Things you must have	N E E D S
N S P E D	Use money to buy something	S P E N D
A G N I S V	Keeping money to use later	S A V I N G
O Y T I R P R I	The thing that matters most	P R I O R I T Y

7 Diamond nine: £30 to last a month

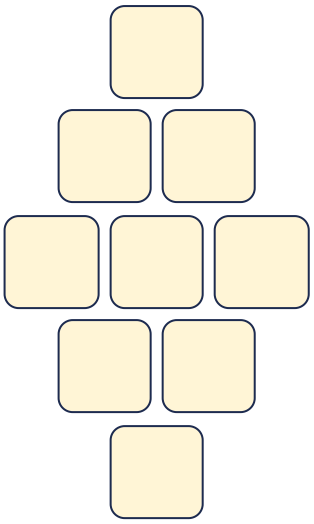
3 points

Put the letters in the diamond: most important at the top, least at the bottom.

Penny says: Before you choose, ask two things. What do I get? And what am I giving up?

- **A** School lunch money
- **B** Bus fare to school
- **C** A birthday present for a friend
- **D** A new game
- **E** Sweets
- **F** Saving for a bike
- **G** A cinema trip
- **H** Giving to charity
- **I** New pens for school

Most important



Least important

Which one did you put at the top? Why?

> There is no single right answer. Look for needs (lunch, bus fare) near the top and a clear reason for the top and bottom choices.

8 Before you go

One thing I learned today

One question I still have

How sure do I feel?

Not yet | Getting there | Got it

Take it home

Ask a grown-up about a time they had to choose between two things to spend money on. What did they pick? What was the **opportunity cost**?

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