Penny Explains

Key Stage 3 · Years 7 to 9 | Investing | About 40 minutes



Saving, investing and risk

Two ways to use spare money, and why neither is magic

Name _____ Class _____ Date _____ Score: / 40

I can...

- [ ] I can explain the difference between saving and investing.
- [ ] I can explain what a share is and how its value can go up or down.
- [ ] I can explain why gambling is not investing and spot a promise that is too good to be true.

Key words

Saving: keeping money safe, often earning interest.

Investing: buying something, such as shares, hoping it grows in value.

Share: a small slice of a company.

Risk: the chance of getting back less than you put in.

Diversification: spreading money across many investments.

1 Saving or investing?

6 points

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

shares | risk | years | less | up | interest | more | days

Saving means putting money somewhere safe, such as a bank account, where it earns a little _____. Investing means buying something, such as _____ in a company, in the hope that it grows in value over many _____. The value of an investment can go down as well as _____, so you could get back _____ than you put in. That chance is called _____.

2 A slice of a company

8 points

Made-up firm Bright Bikes has **1,000 shares**. Aunt Tolu buys **50** of them at **£2** each.

a) How much does Tolu pay for her 50 shares?

Working

Answer: _____

b) What percentage of the company does she own?

Working

Answer: _____

c) A year later each share is worth £2.60. What are her 50 shares worth now?

Working

Answer: _____

d) Imagine the price had fallen to £1.40 instead. What would her shares be worth?

Working

Answer: _____

3 All in one, or spread out?

8 points

Sam puts **£100** into each of three made-up companies. What is each worth a year later?

Company	Change in one year	Sam's £100 becomes
Alder Games	down 50%	_____
Birch Foods	up 10%	_____
Cedar Energy	up 20%	_____
Total		_____

a) Dev put all of his £300 into Alder Games. What is it worth after one year? 1 mark

b) Who lost less money, and by how much less? What does this show? 3 marks

4 Saving, investing or gambling?

8 points

Write each one in the right box. Remember: gambling is **not** investing. A bet is a game set up so that most players lose.

- A fund holding many companies
- A building society account
- A lottery ticket
- Shares in a company
- Money in a bank account
- Earning interest
- A scratch card
- A bet on a football match

Saving	Investing	Gambling

5 Too good to be true?

4 points

Noor sees this video advert while scrolling. Find the warning signs.

@lewis_gets_rich · advert

I turned **£50 into £5,000 in ONE WEEK**. Guaranteed profit, zero risk!

Only 10 places left in my private group. Send £50 by bank transfer **tonight** to join.

Don't listen to teachers or banks. They want you to stay poor.

Write 4 things that tell you this could be a scam.

1. _____
2. _____
3. _____
4. _____

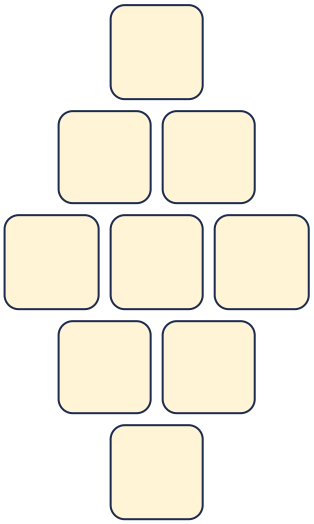
6 Before anyone invests: what matters most?

3 points

Put Aunt Tolu's nine questions in the diamond: most important at the top.

- **A** Do I have emergency savings first?
- **B** When will I need this money back?
- **C** Could I cope if the value fell?
- **D** Do I understand what I am buying?
- **E** Is my money spread out?
- **F** Is the firm properly regulated?
- **G** What are the fees?
- **H** Does it sound too good to be true?
- **I** What are my friends buying?

Most important



Least important

Which question did you put at the bottom, and why?

_____

_____

7 What would you say?

3 points

A friend says: 'A streamer's coin doubled my brother's money in a day. Buy some too!'

What would you say to your friend, and why?

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 an adult at home: what is the difference between **saving** and **investing**? Have they ever seen a promise that was too good to be true?

© Penny Explains · pennyexplains.com · Free to print and copy for teaching.

Protection limit checked November 2026. Education, not financial advice.