

Functional Skills English

Entry 3 Reading

Sample Assessment



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Candidate's paper

Money

Length of assessment: 40 minutes

Candidate's name:

City & Guilds enrolment number:

Date of registration:

Date assessment started:

Date assessment completed:

Candidate's declaration:

I confirm that this assessment is my own work

Candidate's signature _____ Date _____

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Candidate's instructions

You have **40 minutes** to complete this assessment.

- Read the text and answer the questions carefully
- The maximum marks for each question are shown
- Answer **all** questions
- You **may** use a dictionary

You need the following:

- a pen with black or blue ink.

Read the article.

Money Matters?

Money is one of the most difficult things we have to deal with in life. If we don't manage the money we have, we can run into problems and debt. Managing money is easy once you know how, but with so much information out there it's difficult to know what to do when things go wrong.

We need money to live, for housing, heat, food, clothes. We also want a little additional cash so we can enjoy life and have some fun. Even so it can be difficult to balance the books and we can be left wondering where all our money has gone.

You may think that having lots of money will solve any financial problems. That's not the case, it's not about how much money you have, but what you do with it.

"It's not about how much money you have it's how you use it that matters."

Pieter van der Westhuizen



The key is to be in control of your money, instead of it being in control of you.

To be in control you need to know how much is coming in and how much is going out. If you are spending more than you earn you will need to reduce your spending or increase your income to avoid getting into debt.

"Never spend your money before you have earned it."

Mr Thomas Jefferson

If your income is more than you spend, you will be able to save for a rainy day or buy things that you want rather than need.

Let's face it, with some extra cash everyone would love new clothes and lots of holidays, maybe even a new car. The best way to get these things is by saving and not getting into debt.

Answer the questions about the article.

1. What may happen if we don't manage our money properly? **1 mark**

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2. Give **three** examples of living costs. **3 marks**

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3. What **two** things do you need to know to be able to control your money? **2 marks**

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4. Who said "Never spend your money before you have earned it"? **1 mark**

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5. What can you buy if there is some spare cash? **1 mark**

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Read the leaflet.



What is a budget plan

A budget plan is a way of keeping track of your money. It allows you to know how much money you need every month to pay bills and expenses. It allows you to work out how much spare cash you have every month.

How to create a budget plan that works for you

1. Work out how much money you have coming in each week or month.
2. Make a list of all your household bills. These may include gas, electricity, water, phone, broadband and rent.
3. Work out how much you spend on everyday items such as food, clothes, petrol etc.
4. Also think about surprise costs such as house or car repairs.
5. Add up all your expenses for a week or a month.
6. Subtract your outgoings from your income.

What you have left is the amount of spare cash you have. TOP TIP: Save a small amount of your spare cash each week or each month and you will be surprised how quickly it grows.

Sticking to a budget plan will help you to save money for things you really want, stay clear of debt or at the very least limit the amount of debt you have.

For more information visit the Government website
www.direct.gov.uk

How to...
Budget

Answer the questions about the leaflet.

6. The main purpose of a budget plan is to 1 mark

Tick **one** answer only.

- pay for surprise costs
- keep track of money
- grow your savings
- record your spending.

7. List **three** expenses you must include in a budget plan. 3 marks

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8. What unexpected costs should you think about? 1 mark

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9. What should you do when you have worked out all your expenses? 1 mark

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10. Give **two** benefits of following a budget plan. 2 marks

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End of assessment

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