

# NIOS lesson adaptation project

by  **Embrace** The power within you! **Volunteers**

(A community initiative of Harchan Foundation Trust)

## CHAPTER -16

### MANAGING INCOME

This project is aimed at supporting children with different needs. Information provided is adapted to the best of knowledge by the volunteers. For complete information please refer to the NIOS resources in <https://www.nios.ac.in/online-course-material/secondary-courses.aspx>.



# KWL Chart

K - What does the child KNOW	W - What does the child WANT to know	L - What has the child LEARNT
	Income & Sources of income	
	•What is Expenditure?	
	•How to plan a Budget?	
	•Factors to be considered to Balance income and expenditure.	
	Why I need to save money?	

Key Words	Meanings
<b>Sources of family income</b>	It is income earned by the members of a family in way of salary, profits , renting and interest earned through savings
<b>Income</b>	amount of money a person / family gets through different ways
<b>Expenditure</b>	amount a person spends to meet his and family's needs
<b>Budget</b>	It is about proper planning and balancing income and expenditure
<b>Funds</b>	The amount of cash available to meet the needs of the family
<b>Saving</b>	Saving is the money set aside to be used in times of need
<b>Allocation</b>	The amount of money spent on different needs of family

# Managing Income

Is about making a plan to spend the income to meet the needs of family



Salary, profit,  
rent, bank  
interest

Food , housing, clothes  
education, medicine,  
entertainment, transport

Part of income kept  
for future needs

**Income**

**Expenditure**

**Savings**

# Income and its source

- Family income is the income from all sources like salary of family members, rents, interests received from banks
- Money is required to fulfil the basic needs as well as comforts and luxuries of a human being.



(Dollars in millions)	2017	2016
Net interest income	\$ 44,667	\$ 41,096
Noninterest income	42,685	42,605
Total revenue, net of interest expense	87,352	83,701
Provision for credit losses	3,396	3,597
Noninterest expense	54,743	55,083
Income before income taxes	29,213	25,021
Income tax expense	10,961	7,199
Net income	18,232	17,822
Preferred stock dividends	1,614	1,662
Net income applicable to common shareholders	\$ 16,618	\$ 16,140

Interest income from operations

# Expenditure

**Whatever money we spend from the income for buying various things to fulfil our needs is called expenditure.**

- ❖ It has to be divided and spent on various heads (expenditure)
  - food
  - Clothing
  - housing
  - Education
  - Transport
  - Medical
  - Entertainment
  - Others





# Savings

Money set aside to be used in future for any purpose like emergencies, children's marriage or higher education is called 'savings'





## *What is a spending plan?*

- A spending plan is a planned way to spend money;
- It includes the list of needs of all the family members, with the money allocated for each item to fulfil these needs.
- It is based on the total income of the family
- It helps the family to live within their income and also save money for future needs and emergencies



# Importance of Family Spending Plan

- It helps to live within the income
- It helps to save money for future needs
- It helps to save money for emergencies
- Discourages impulse buying
- It helps to meet all the needs of the family members

# How to make a Spending plan /Budget?

## 1.Find out total income

All the income of family members, rent , personal allowance, travel allowance

## 2.List all requirements of the family

Food, clothes, rent ,electricity, water, education etc

## 3.Prioritize these needs

These decisions will be based on your total income and your goals in life

## 4.Allocate funds keeping in mind the total income.

List all the items of expenditure and allot money to each of them

Factors to be considered for each item in budget:

Income

Size of the family

Age of the family members

Place of residence

Skills of the family members

Savings - the family wants to make



# How to make a Spending plan /Budget?

## 5.Keep some amount of the total money as savings.

Savings should be done for later needs It is advisable to save 10% of the income

## 6.Balance the spending plan

Proper distribution of funds between income and expenditure balancing helps to make expenditure less than income can be done in two ways – Earn more or Cut down expenditure



**Earn More** -Find other sources of supplementary income like taking tuitions, stitching clothes, making handicraft articles etc.

**Cut down expenditure** - Do not waste food. • Cut down on eating outside. • Check extra expenditure on electricity, water etc. • Ironing and washing at home. • Economic use of stationery • Use of public transport. • Use of public library. • Looking out for discounts. • Avoid impulsive buying.

# How to make a Spending plan /Budget?

## 7.Keep record of all the expenditures

To know how much spent on each item

To check whether more or less spent on certain items previous month

Check old prices with new ones

# Allocation of funds

The table below gives you an idea about the percentage of expenditure and the amount of money spent on each item

Items Of Expenditure	Amount( Rs)
Food (35%)	3500
Housing (20%)	2000
Clothing (5%)	500
Family recreation (5%)	500
Household operations (6%)	600
Transportation (8%)	800
Medical Expenses (3%)	300
Education (5%)	500
Transportation (8%)	800
Furnishings (3%)	300
Savings(10%)	1000
Total	10000

# Characteristics of a good budget

- **Accurate estimates of income**  
Exact amount of income available for expenditure
- **Accurate estimate of expenditure**  
Lookup the budget of the previous years or the records of past expenditures and savings
- **Accurate allocation of money**  
Determine present needs, wants and future changes of the family
- **Flexible**  
Is flexible so that unforeseen expenses can be taken care of.  
flexible to divert from one item to another



# List of Volunteers

## Embrace-NIOS lesson adaptation project

(A community initiative of Harchan Foundation Trust)

**Mentors ( Volunteers ) :** Banu Arjun, Hema Bhatia, Indumathi , Kalpana Sankar, Priya Balasubramanian, Renu Goyal, Sowmya Srikumar, Viraja.

### Special educator/Parent Volunteers:

Beverly Sujit ,Chantelle Saldana, Gayathri,Haritha Meda,Jaishree Muralidharan, Madhushree Bhat, Meenakshi, Nisha Narayanan, Pavithra, S. Arjun , Savita Sharma Bhardwaj, Sathyabhama Naryanan, Selvarani, Shakkeela Narikkoottungal, Shweta Taneja, Sucharitha Karthik, Suja Varghese, Sunitha R , Rohitesh Sharma , Tinu Anna Sam.

"volunteers don't necessarily have the time, they just have the **HEART**."

~ elizabeth andrew

Thank You  
Volunteers.

# Credit Slide

Slide	
1	<a href="https://3.bp.blogspot.com/-l4tZpHa974k/V9ccia3koLI/AAAAAAAAAQ9Y/EJ8GZWKHZKQO8dxVkstnDoZ_Uxdlx1B6wCLcB/s1600/Balance-income-and-expenses-xs.jpg">https://3.bp.blogspot.com/-l4tZpHa974k/V9ccia3koLI/AAAAAAAAAQ9Y/EJ8GZWKHZKQO8dxVkstnDoZ_Uxdlx1B6wCLcB/s1600/Balance-income-and-expenses-xs.jpg</a>
7/8	<a href="https://www.searchpng.com/wp-content/uploads/2018/12/piggy-bank.png">https://www.searchpng.com/wp-content/uploads/2018/12/piggy-bank.png</a> <a href="https://clipartstation.com/wp-content/uploads/2018/10/plan-clipart-9.jpg">https://clipartstation.com/wp-content/uploads/2018/10/plan-clipart-9.jpg</a> <a href="https://www.ghanaquest.com/wp-content/uploads/2020/07/income-money-change-salary-raise-800x450-1-500x383.jpg">https://www.ghanaquest.com/wp-content/uploads/2020/07/income-money-change-salary-raise-800x450-1-500x383.jpg</a>
3	<a href="http://clipartmag.com/images/free-clipart-of-children-15.jpg">http://clipartmag.com/images/free-clipart-of-children-15.jpg</a>
9	<a href="https://the-pulse.in/public/upload/feed/bannerimage/Indian-money.png">https://the-pulse.in/public/upload/feed/bannerimage/Indian-money.png</a> <a href="https://cdn.dealstreetasia.com/uploads/2020/04/money.jpg?fit=980,542">https://cdn.dealstreetasia.com/uploads/2020/04/money.jpg?fit=980,542</a>
10	<a href="https://fscomps.fotosearch.com/compc/CSP/CSP990/family-budget-stock-image__k10093642.jpg">https://fscomps.fotosearch.com/compc/CSP/CSP990/family-budget-stock-image__k10093642.jpg</a>
11	<a href="https://s3.amazonaws.com/libapps/accounts/48058/images/budgetchart.png">https://s3.amazonaws.com/libapps/accounts/48058/images/budgetchart.png</a>
12	<a href="http://sr.photos3.fotosearch.com/bthumb/CSP/CSP931/k9310577.jpg">http://sr.photos3.fotosearch.com/bthumb/CSP/CSP931/k9310577.jpg</a>
14	<a href="http://www.zfs.co.in/img/about3.jpg">http://www.zfs.co.in/img/about3.jpg</a>
17	<a href="https://thumbs.dreamstime.com/z/basic-rgb-148952345.jpg">https://thumbs.dreamstime.com/z/basic-rgb-148952345.jpg</a>



