

## Individual Activity: Budget #2

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Suppose you have only \$5 to spend. Use the table below to answer the following questions. Be sure to show your calculations.

Good	Price
Arcade Game	\$ .25
Gum	\$ .50
Soda	\$1.00
Movie Ticket	\$5.00

1. If you decide to save \$2.50 but still want to buy gum and soda, what is the opportunity cost of your decision to save?
  
  
  
  
  
  
  
  
  
  
2. Suppose you put your \$2.50 savings in the bank. If the bank pays 10% interest, how much interest will you earn on your \$2.50 deposit?
  
  
  
  
  
  
  
  
  
  
3. With interest, your \$2.50 is now worth \$2.75. What will you buy for \$2.75?
  
  
  
  
  
  
  
  
  
  
4. What would you have given up if you had decided to spend the \$2.50 instead of putting it into a savings account?

# A Penny Saved Is a Penny Earned with Interest

5. Use the chart below to show what you would do with your \$5.

<b>Good</b>	<b>Price</b>	<b>Number Purchased</b>
Arcade Game	\$ .25	
Gum	\$ .50	
Soda	\$1.00	
Movie Ticket	\$5.00	

6. Write a short paragraph to explain the choices you made with your money.