

Finance & Budgeting Worksheet - Answer Key

Q1. What is the 50/30/20 budgeting rule?

Answer: 50% Needs, 30% Wants, 20% Savings

Explanation: A simple framework for managing your money.

Q2. What is 'paying yourself first'?

Answer: Saving money before spending on anything else

Explanation: Transfer savings as soon as you get paid, not what's left over.

Q3. What is an emergency fund?

Answer: 3-6 months of expenses saved for unexpected costs

Explanation: Protects you from debt when unexpected expenses arise.

Q4. What's the difference between a debit card and credit card?

Answer: Debit uses your money; Credit borrows money

Explanation: Credit cards charge interest if not paid in full each month.

Q5. What is 'net pay' on a payslip?

Answer: The amount you actually receive after deductions

Explanation: Gross pay minus tax and other deductions = net pay.