

## Activity 1 | Identify income and disposable income

**Activity 1: Identify income and disposable income.**

**Aim: To distinguish between income and disposable income**

**Instruction:**

a. Read each situation carefully. Write 'Income' or 'Disposable income'.

Situations	Income/Disposable Income
Ali earns Rs 12,000 every month from his job as a driver.	
After paying Rs 2,000 in tax, Ali has Rs 10,000 left to spend or save.	
Neha works part-time and receives Rs 5,000 from her boss.	
Neha uses Rs 4,000 (after tax) to buy books and clothes.	

b. In your own words, explain the difference between income and disposable income?

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## Activity 2 | Calculate disposable income.

**Activity 2: Calculate disposable income.**

**Aim: To check understanding of disposable income.**

**Activity 2 (a): Calculate the disposable income in the table below.**

No.	Total Income (Rs)	Tax (Rs)	Disposable Income (Rs) (Total income-Tax)
1	5000	500	4500
2	6000	600	-----
3	7000	1000	-----
4	4800	300	-----

## Activity 2 | Calculate disposable income.

### Activity 2 (b):

Instructions: Help Sara calculate her disposable income and the amount of money she has left after paying for her weekly expenses.



- How much tax does Sara have to pay? Rs \_\_\_\_\_
- What is Sara's disposable income (income after tax)? Rs \_\_\_\_\_
- What is the total amount of her weekly expenses? Rs \_\_\_\_\_
- How much money does Sara have left after paying all her expenses?  
(Hint: Use disposable income amount) Rs \_\_\_\_\_

### Activity 3 | Understand how to plan a budget.

#### Activity 3: Understand how to plan a budget.

**Aim:** To help students identify the difference between amount saved and spent.

Instructions:

- Suppose you earn Rs 600 per week and you have to pay 5 % income tax on your earnings.
- First, calculate your disposable income (money left after tax).
- Then, use the table below to plan your weekly expenses.

#### Step 1: Calculate your disposable income.

- Gross Income: Rs 600
- Tax (5%): Rs \_\_\_\_\_
- Disposable Income (Income after Tax): Rs \_\_\_\_\_

#### Step 2: Plan your weekly budget.

Items	Amount (Rs)
Snacks	
Transport	
Savings	
Entertainment	
School Supplies	
Total	

a. How much disposable income do you have left after your total expenses?

Rs \_\_\_\_\_

b. Discuss in pairs:

- What would you do with your left-over money?
- Would you spend more, save more or change your budget?