

B

BUYING STUFF

To get value for money when shopping it is important to:

- shop around and compare prices
- talk to friends about their buying experiences
- avoid impulse buying
- be wary of 'bargain' prices that seem too good to be true.

Value for money does not mean always buying the cheapest goods. However, the range of sizes and packaging types make it difficult for consumers to compare the prices of goods and choose the most economical purchase.

When we do decide what to buy, there are a variety of ways we can pay for goods and services. They include:

- cash—only if you have it and usually for less expensive purchases
- cheques—the bank generally charges for each cheque and cheques may not be as widely accepted as credit cards
- lay-by—involves paying a deposit and paying the balance of the costs of goods in regular instalments
- credit cards—two types: general purpose and retail. General purpose cards include Bankcard, Visa, MasterCard. They allow you to purchase goods and/or services and get a cash advance. Retail cards can be used only for purchases within the group whose name is on the card, they do not allow cash advances.
- debit cards—allow you to withdraw funds and pay for goods using funds from your existing bank accounts.

Key terms

lay-by	terms of payment	impulse buy	credit card	personal loan
credit limit	debit card	household goods	repayments	interest rate
electronic funds transfer	debt			



ACTIVITY OUTLINE

Discuss: How do we pay for goods and services? Ask the students to work through WORKSHEET B1, and then, with a partner, to complete WORKSHEET B2. To assist with WORKSHEET B2, bring pairs of items to the classroom so that students can compare the value of pairs of goods. Once students have compared two items, introduce a greater number of similar items to compare. Items could include car ads, washing machine ads, printed T-shirts and computer or mobile phone offers. Make a list of the factors that the class identify when comparing the goods and services. Obviously price is just one of the factors in estimating value.

Discuss advertising and how it can affect what we buy and how we buy it. Discuss 'free' offers and what experience the students have of them. 'Free' offers should be viewed cautiously and need to be evaluated by comparing prices of the individual components of a package or the cost of buying the 'free' gift in addition to the product it is linked with.

If you have not already shown the *Money Stuff* video to the class, show it now, and then introduce WORKSHEET B3.

Discuss the concept 'buy now, pay later' and the advantages and disadvantages of credit. What are some of the consequences of not being able to make the repayments on a loan or credit card?

Ask students to complete WORKSHEET B4.