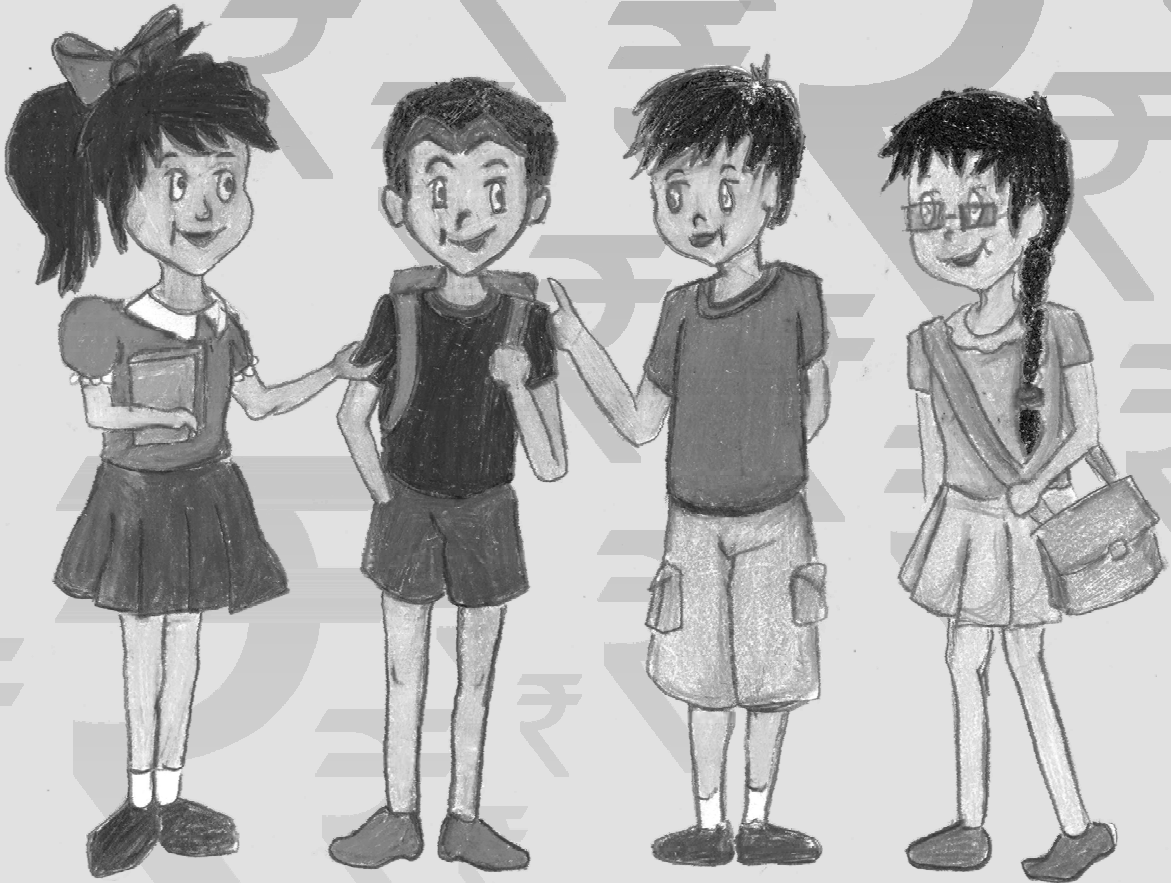


Financial Education

Workbook

Class : VI



Financial Education Workbook for Class VI

Draft Edition.

Disclaimer

This book is presented as reading and teaching material with the sincere purpose of making the reader financially literate. It is not intended to influence the reader in making a decision in relation to any particular financial product/s or service/s.

Published by: The Secretary, Central Board of Secondary Education
Shiksha Kendra, 2, Community Centre,
Preet Vihar, Delhi-110301

Design, Layout &
Printed by: National Institute of Securities Markets (NISM) for
National Centre for Financial Education (NCFE)
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भारत का संविधान

उद्देशिका

हम, भारत के लोग, भारत को एक सम्पूर्ण 'प्रभुत्व-संपन्न समाजवादी पंथनिरपेक्ष लोकतंत्रात्मक गणराज्य बनाने के लिए, तथा उसके समस्त नागरिकों को:

सामाजिक, आर्थिक और राजनैतिक न्याय,

विचार, अभिव्यक्ति, विश्वास, धर्म

और उपासना की स्वतंत्रता,

प्रतिष्ठा और अवसर को समता

प्राप्त कराने के लिए

तथा उन मूल में व्यक्ति को गरिमा

'और राष्ट्र की एकता और अखंडता

सुनिश्चित करने वाली संशुति बढ़ाने के लिए

वृद्धसंकल्प होकर अपनी इस संविधान सभा में आज तारीख 26 नवम्बर, 1949 ई० को एतद्वारा इस संविधान को अंगीकृत, अधिनियमित और आत्मार्पित करते हैं।

1. संविधान (अध्यायीना संशोधन) अधिनियम, 1978 की धारा 2 द्वारा (3.1.1977) से "प्रभुत्व संपन्न लोकतंत्रात्मक गणराज्य" के स्थान पर प्रतिस्थापित।
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भाग 4 क मूल कर्तव्य

51 क. मूल कर्तव्य - भारत के प्रत्येक नागरिक का यह कर्तव्य होगा कि वह -

- (क) संविधान का पालन करे और उसके आदर्शों, संस्थाओं, राष्ट्रध्वज और राष्ट्रगान का आदर करे;
- (ख) स्वतंत्रता के लिए हमारे राष्ट्रिय आंदोलन को प्रेरित करने वाले उच्च आदर्शों को हृदय में संजोए रखे और उनका पालन करे;
- (ग) भारत की प्रभुता, एकता और अखंडता को रक्षा करे और उसे श्रेष्ठतया लये;
- (घ) देश की रक्षा करे और आह्वान किए जाने पर राष्ट्र की सेवा करे;
- (ङ) भारत के सभी लोगों में समरसता और समान श्रेष्ठता को पोषण का निर्माण कर के धर्म, भाषा और प्रदेश या वर्ग पर आधारित सभी भेदभाव से परे हो, ऐसी प्रथाओं का त्याग करे जो स्वतंत्रों के सम्मान के विरुद्ध हैं;
- (च) हमारी सनातनिक संस्कृति को गौरवशाली रूप से कायम रखे और उसका संरक्षण करे;
- (छ) प्राकृतिक पर्यावरण को जिसके अंतर्गत वन, झीलें, नदी, और हवन जीव हैं, रक्षे करे और उसका संवर्धन करे तथा प्राणी पात्र को प्रति दयाभाव रखे;
- (ज) वैज्ञानिक दृष्टिकोण, मानववाद और ज्ञानार्जन तथा सुभार को पोषण का विकास करे;
- (झ) सामाजिक सर्वांग को सुविकसित रखे और हिंसा से दूर रहे;
- (ञ) व्यक्तिगत और सामूहिक गतिविधियों के सभी क्षेत्रों में उत्कर्ष की ओर बढ़ने का सतत प्रयत्न करे किन्तु राष्ट्र निर्णय बलपूर्वक दुर प्रयत्न और उपलब्धि को नहीं उंचाईयों को खू लें;
- (ट) यदि माता-पिता या संरक्षक हैं, वह अपने से चौदह वर्ष तक की आयु वाले अपने, अश्वस्थित, अल्पवय या प्रतिबल्य के लिये शिक्षा को अवसर प्रदान करे।

1. संविधान (अध्यायीना संशोधन) अधिनियम, 2002 की धारा 4 द्वारा प्रतिस्थापित।

THE CONSTITUTION OF INDIA

PREAMBLE

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a '**SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC**' and to secure to all its citizens .

JUSTICE, social, economic and political,

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the² unity and integrity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

-
1. Subs. by the Constitution (Forty-Second Amendment) Act, 1976, sec. 2, for 'Sovereign Democratic Republic' (w.e.f. 3.1.1977)
 2. Subs. by the Constitution (Forty-Second Amendment) Act, 1976, sec. 2, for 'unity of the Nation' (w.e.f. 3.1.1977)
-

THE CONSTITUTION OF INDIA

Chapter IV A

FUNDAMENTAL DUTIES

ARTICLE 51A

Fundamental Duties - It shall be the duty of every citizen of India-

- (a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;
- (b) to cherish and follow the noble ideals which inspired our national struggle for freedom;
- (c) to uphold and protect the sovereignty, unity and integrity of India;
- (d) to defend the country and render national service when called upon to do so;
- (e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;
- (f) to value and preserve the rich heritage of our composite culture;
- (g) to protect and improve the natural environment including forests, lakes, rivers, wild life and to have compassion for living creatures;
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;
- (i) to safeguard public property and to abjure violence;
- (j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;
- ¹(k) who is a parent or guardian, to provide opportunities for education to his/her child or, as the case may be, ward between age of 6 and 14 years.

-
1. Subs. by the Constitution (Eighty-Sixth Amendment) Act, 2002

PREFACE

The CBSE's Financial Education curriculum for Classes VI-X, is marked by its strong dynamism, continuous evolution and development. The curriculum has been developed by adopting a functional approach. In the current climate of psychological, social and economic changes, society is influenced by explosive knowledge creation and exponential technology growth.

Financial education is needed to improve our understanding of basic financial concepts and how to use them in our daily life. We need to know about various financial products and to become more aware of financial risks and opportunities to enable each one of us to make informed choices, and in return we can improve our financial well-being.

The vision of financial education is that it could enable students, at their level of need, to understand the role of money in their life, the need for and use of savings, the advantages of using the formal financial sector and the various options to convert their savings into investments, protection through insurance and a realistic recognition of the attributes of these options.

This financial education will help us learn more about the importance and advantages of savings, the importance of staying out of unproductive loans that are beyond our capacity to repay, borrowing from the formal financial sector, the concept of interest and the power of compounding, the time value of money, inflation, the need to insure, the role of major financial sector institutions such as ministries, regulators, banks, stock exchanges and insurance companies and basic concepts about the relation between risks and rewards.

Through this we can help ourselves and others in managing money more effectively by accessing the appropriate financial products and services provided by various financial regulators.

Financial education will help especially those who are financially excluded at present.

The objective of this workbook is to create awareness and educate students on access to financial services, the availability of various types of products and their features and to make students understand their rights and responsibilities as clients of financial services.

Teachers handling the course need to inform themselves regarding the effective use of course content, teaching methodology, management of group work and independent individual work, management of large classes, appropriate use of assessment tools, grading and record-keeping to benefit their students.

We would like to thank the stakeholders - the Reserve Bank of India, Securities and Exchange Board of India. The Insurance Regulatory and Development Authority of India and the Pension Fund Regulatory and Development Authority - for taking the time and effort to develop these books.

The development of this book would never have been possible but for the sincere effort, devotion and leadership of Ms. Sugandh Sharma, Additional Director (Research & Innovation), CBSE and Mr Sandeep Sethi, Education Officer with his team. Any further suggestions are welcome and will be incorporated in the future editions.

Acknowledgements

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Hello friends, my name is what people of today cannot do without. In earlier days trade existed in my absence but with the coming of kings and government I got different names shapes and forms. Trade cannot take place without me. I am normally different for each country but some countries share me. I will be happy to be called **Mudra**, which means currency.



Hi...everyone wants to invest and gain revenue these days but all investments are not safe. I am going to help you select the right investments and you can safely call me **Safe** or **Saif**.



Hi, I am what everyone wants from investments and rest assured, I will come only when my friend Safe is around. I make you happy and help you to achieve your dream plans. Call me **Munaf**---it is short for munaffa which means profit.



Through stories, games, crosswords and jumbled words we are going to take you to the history of barter, kings and kingdoms, bringing you to today's cash memo, bills and trade. I will not rush but **Rashi** is my name. I shall teach you how and why to save.



Barter

Trade

Beckonings of Faraway Land

Long ago in Faraway Land so benign
Started the discovery of money once upon a time
We exchanged goods and services without rupees or dime
Called it the barter system, but it didn't turn out as fine

Then we found metals and coins we made
Each country had their own currency, neatly laid
In India we have the RBI, in minting money the government they aid
Don't forget to ask dad about what's balance of trade

Clothing, shelter, food and air
Without these how would we live, we aren't aware
Things we require to live are called needs
Would toys also count because for them I have to plead?

To record transactions there are bills
Remember those imported toys you bought in the hills?
I heard they were traded across from China through the cold and chills

Grandpa says if I save in my piggy bank so small
One day, I'll be able to buy anything just anything at all
From candies to chocolates to bubblegum to big balls.
What kind of tax did Mum pay on her shawl?
Oh, wait! Did she pay any tax at all?

From barter system to taxes
From important transactions to price Huh?
Financial management is the effective managing of funds.
Do you know the actual meaning of a refund?

From its definitions to its functions
The subject has various important junctions.
This year of financial management we lay the base
Do study carefully as all obstacles we must conquer and chase

Budget

Bill

Taxation



Hi!
Let's begin



Barter System



Long time ago, there was a prosperous kingdom. The people of this kingdom were very hard-working and were engaged in different productive activities. Some were farmers, weavers, tailors, cobblers etc. While everything was produced in abundance, each person could not produce all the goods required by him for his use. The people in the kingdom used a system by which one person could exchange the goods and services produced by him with the goods and services produced by someone else. Thus if the farmer needed to get a shirt stitched, he would give the tailor food grains, and if the cobbler required cloth, he would give the weaver shoes made by him. This exchange of goods and services by one person in return for goods and services from another person is known as a barter system. People faced difficulties with this system. The farmer sometimes required shoes but the cobbler would not exchange his shoes for food grains because he had enough food grains and required clothes, which the farmer cannot provide him. The weaver would not exchange his clothes for shoes because he wanted a haircut. Also, we all know some commodities are perishable and cannot be kept for a long time in the store. If you have lots of apples or oranges you cannot store them to exchange later. People could not exchange their goods or services unless they found someone who was willing to take their goods in exchange for something that they actually required. The barter system works on the double coincidence principle. Two coincidences have to happen at the same time. The first coincidence is that you find someone who is willing to sell something that you want to buy. The second coincidence is that the seller wants to buy that something that you are willing to sell.

Exercise

1) What is a barter system?

2) In a barter system, if a person needs some goods or services what does he do?

3) What are the demerits of a barter system?

State whether True or False:

- 1) In a barter system, money was used to buy things. _____
- 2) It was difficult to exchange big commodities under the barter system. _____
- 3) People used to exchange different goods or services in the barter system. _____
- 4) The barter system works on the double coincidence principle.



Jumble Time

jumble words

Jumbled Words	Clue	Solution
Brtrea smSety	Exchange of goods and services without using money	
Eagenchx	Give and take	
Gdoso dna svsecier	Example is Bread and tailor	
Cmomtyido	Marketable item produced to satisfy wants or needs.	

Fun Time



- 1) Give and take of commodities is known as
 - a) Exchange
 - b) Barter
 - c) Selling
 - d) Marketing
- 2) Exchanging goods and services without using money is called
 - a) Selling
 - b) Exchange
 - c) Barter system
 - d) Marketing
- 3) Items produced to satisfy needs and wants
 - a) Services
 - b) Goods
 - c) Commodity
 - d) Product
- 4) The system through which one person exchanges goods and services in return for goods and services from another person is known as
 - a) Barter
 - b) Carter
 - c) Tartar
 - d) Exchange
- 5) The barter system works on the principle of
 - a) Single coincidence
 - b) Double coincidence
 - c) Single incidence
 - d) Double incidence
- 6) What was generally exchanged in a barter system?
 - a) Goods
 - b) Services
 - c) Commodities
 - d) All of the above

Will you give me your pen in exchange for my pencil?





Who brought these metal coins?

Evolution of Money



Money, as we know it today, is the end-product of a long process. At the beginning, there was no money. People engaged in barter. It was a moneyless economy. The barter system had various problems.



The direct exchange of one commodity for another requires the direct satisfaction of both parties. For example, a man might want to exchange his cow for two goats. It is necessary that the person with the cow should find a man who wants to exchange two goats for the cow. All the goods that are to be exchanged are not of the same value, so it is very difficult to determine the ratio of exchange between the different goods. In the case of goods that are indivisible, there would be value. For example, if the owner of a cow, wants to purchase a hen then it will not possible for him to give a small part of the cow to the owner of a hen. It is also very difficult to store goods, particularly perishable goods like fish, for a long period.



Thus, the exchange of goods was not free of difficulties. Therefore, the need for money arose. With the discovery of metal, it began to be used as money. In the 6th century B.C. the first coins resembling the current ones appeared. They were small metal pieces - with a fixed weight and value, and bearing an official seal, which is the mark of the government that has minted them and also a guarantee of their value. The first metals used in coinage were gold and silver. During the Mauryan period, silver, gold and copper coins were being used. King Sher Shah Suri also issued a coin of silver, weighing 178 Grains which was termed the "Rupiya". The Hindi word "rupiya" is derived from the Sanskrit word "rūpya", which means "a coin of silver". The silver coin remained in use during the Mughal period, the Maratha era as well as in British India. Among the earliest issues of paper rupees is - the issue of the Rupee by the Bank of Hindustan (1770-1832). Following the independence of India in 1947, and the accession of the princely states to the new Union, the Indian rupee replaced all the currencies of the

previously autonomous states. After its formation, the Reserve Bank of India issues notes and coins on behalf of the government of India. It is interesting to know that with the Partition of India, the Pakistani rupee came into existence, initially using Indian coins and Indian notes, Indian currency notes simply over-stamped with "Pakistan".

Exercise

- 1) The first paper rupee was made by _____.
- 2) Who issues notes and coins on behalf of the Government of India? _____

Match the following:

Currency	Country	Symbol
Rupee	China	€
Yen	Europe	\$
Dollar	United Kingdom	¥
Yuan	India	£
Pound Sterling	United States of America	¥
Euro	Japan	₹

Jumble Time

jumble words

Jumbled Words	Clue	Solution
Dectri eagEnchx	Forms of exchange	
Sehr Sahn Sriu	Introduced metal coins	

Fun Time

- 1) I have purchased shoes using pounds. Which country am I in?
 - a. Japan
 - b. United States of America
 - c. India
 - d. United Kingdom
- 2) I am going to Japan. Which currency will I be using there?
 - a. Yen
 - b. Rupee
 - c. Dollar
 - d. Euro
- 3) I recently visited the Eiffel Tower. Which currency did I spend on sightseeing?
 - a. Dollar
 - b. Yuan
 - c. Euro
 - d. Rupee
- 4) My mother bought me a pair of shoes for 45 dollars. Which country did she visit?
 - a. Japan
 - b. China
 - c. France
 - d. United States of America
- 5) The hindi word "Rupiya" is derived from a Sanskrit word. Tick the right word.
 - a) Rupaya
 - b) Rupia
 - c) Rupya
 - d) Rupay
- 6) The _____ issues coins and notes on behalf of the government of India.
 - a) RBI
 - b) RPI
 - c) SBI
 - d) SPI

I need a glass of water or a cold drink. Any difference?



Needs and Wants



A **need** is something you have to have, something you can't do without. Examples of basic needs include food, water, and shelter. Our needs may be different at different times in our life. Besides basic needs, we have other things that we use and buy. These "extras" make our lives more enjoyable and comfortable. They often are things you'd love to have but could do without. These items are called **wants**. Some examples are eating out, going to movies, purchasing a play station, etc.



Also, one person's wants may be another person's needs. For example, buying a cricket bat to play with friends may be a need, but buying an expensive one for that becomes a want. At the same time, if you are playing for your school cricket team, you "need" to buy an expensive, good quality bat.



Before you buy something, ask yourself, "Do I need this item, or do I just want it?" You may be surprised at how few things are actually "needs."

Exercise

List some of your needs in the spaces below. Try to think of needs that are immediate, as well as things you'll need in the next several months. Then, write down some wants. Are you starting to see the difference? Are there wants that you could do without?

Needs		Wants	

1) Are some “needs” actually “wants”? Cross off the “wants” that are the least important to you.

Budgeting



Sumit received ₹ 500 as his birthday gift. Below are some of the ways he could use this money. He wants to save ₹ 50 so that he can gift his father a pen for his birthday. Create a budget showing what you would do with the money if you were Sumit. How will you use the money so that you can meet your demands as well save the money for your father's gift? You may use as many items as you like, but the total amount must not go above ₹ 500.

Price Chart	
Item	Price
Music CD	₹ 20
Computer Game	₹ 75
Pizza	₹ 75
Comic Book	₹ 30
Movie Ticket	₹ 40
Barbie Doll	₹ 75
Video CD	₹ 30
Ice Cream	₹ 25
Cricket Bat	₹ 100
Cricket Ball	₹ 50
Save for the future	Any amount
Give to the needy	Any amount



Now, I am going to tell you about bills.

Bills/Cash Memo



What is a bill?

A bill of sale is a legal document made by a 'seller' to a 'buyer' that records the transaction between two parties. It contains important contact information, item description and price, payment method, warranties, and signatures. As a legal document, it offers protection and benefits for both the buyer and seller.



Why should we insist on taking a bill?

It is very important that we always ask for a bill or receipt on every purchase or payment made. In the absence of a bill or receipt, the buyer loses the right to complain under the law if the goods turn out to be faulty or not up to the mark.

Exercise

Fill in the blanks

- 1) A bill of sale is a _____ document made by a seller to a buyer.
- 2) A bill records _____ between two parties.
- 3) A bill offers _____ and _____ for both buyer and seller.





Jumble Time

jumble words

Jumbled Words	Clue	Solution
Lbil	legal document made by seller to buyer recording the transaction between two parties	
asCh mome	Buying against cash	

- Identify any five places/ vendors who issue a bill.
 - Roadside vegetable vendor
 - Local kirana shop
 - School canteen
 - Movie theatre
 - Book shop
 - Bus/ Train
 - Auto rickshaws
 - Hair-cutting saloon
- Study a bill and look for the following details.
 - Date of purchase/ sale
 - Number of units purchased/ sold
 - Price per unit
 - Discount, if any
 - Taxes levied
 - Total bill amount
 - Customer care details
- What right does the consumer lose when he does not receive a bill?
 - Right to purchase
 - Right to complain
 - Right to receive change
 - Right to choose

Fun Time

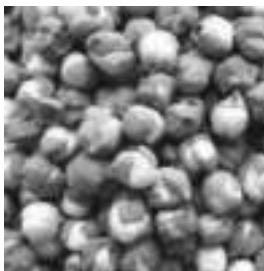


Now you know why it is necessary to take bill after every purchase.

Remember Kabuliwala?
He used to trade.



Trade



What is Trade?

Trade is the transfer of ownership of goods and services from one person or entity to another by getting something in exchange.

Broadly there are two types of trade : domestic trade and foreign trade. Domestic trade refers to all kinds of trading activity that happens within the geographical boundary of a country. For example, a shopkeeper buying clothes from Mumbai and selling it in New Delhi. On the other hand, foreign trade happens between two or more countries. An example of foreign trade is India buying sugar from Pakistan.



Exercise

- 1) You must have visited a market place or a shop in your locality. List any five things you bought from there. Does the shopkeeper just sell those products or does he manufacture them also?



- 2) Given below are the names of various places famous for certain products. Write the names of those products.

a) Kashmir _____
d) Benaras _____
g) Panna _____

b) Nagpur _____
e) Darjeeling _____
h) Shimla _____

c) Jaipur _____
f) Hyderabad _____

3) List any five things of daily requirement, and also mention from where you get them.

Fill in the blanks

- 1) Trade is the _____ of ownership of goods and _____ from one person to another.
- 2) The two types of trade are _____ and _____ .
- 3) Domestic trade refers to trading activity within the _____ boundary of a country.
- 4) Foreign trade takes place between _____ countries.
- 5) Kumar grew spices in his farm in Kottayam, Kerala. He decided to sell his spices to a dealer in Chandigarh, Punjab. This kind of trade will be termed _____
- 6) Vikrant is making handmade carpets in Kashmir. He purchased some material from Turkey for his carpets. This kind of purchase is termed as _____

Jumble Time

jumble words

Jumbled Words	Clue	Solution
oriegnF raTed	Trade outside the boundaries of the country	
mticesDo raTed	Trade within the geographical boundaries of the country	
rated	Exchange of goods and services	

Fun Time

- 1) Trading activity that happens within the geographical boundary of a country is _____.
 a) Trade b) Domestic Trade
 c) Foreign Trade d) State Trade
- 2) Trade between two or more countries is _____.
 a) Trade b) Domestic Trade
 c) Foreign Trade d) State Trade

Kabuliwala used to trade in cashew nuts



Why trade?

Benefits of Trade



If a country produces goods at a lower cost than another country, then the opportunity for trade exists. Of course, the opportunity for trade also exists when a country can produce goods that another country is unable to produce. In each of these cases, both the consuming country and the producing country will be better off with trade than without it.



Let's use an example to explain. Say Sunny lives on an island with a coconut tree. Bobby lives on another island with a banana tree. Sunny is tired of eating coconuts and desires something new to eat. Surprisingly, Bobby is also tired of bananas and would love some nice sweet coconut. In this example, trade would benefit both parties.



Jumble Time

jumble words

Jumbled Words	Clue	Solution
Cetvetiomp aegvdnAat	Producing goods at lower cost than other producers	
Aebtsulo aegAtanvt	Producing more goods than other producers with the same resources.	

1) Sheetal manufactures 1 shirt for Rs 100 whereas Anuj manufactures 1 shirt for Rs 150. This means Sheetal has _____ advantage.

- a) a comparative b) an absolute
c) a competitive d) a relative

Fun Time



2) Using Rs 150 Anuj can make 15 chocolates, whereas Sheetal can make 10 chocolates. This means Anuj has _____ advantage.

- a) a comparative b) an absolute
c) a competitive d) a relative



By trading we get varieties of goods and that too at a low cost.





Radha and the Frog



Once upon a time, in a land far, far away, there lived a young girl called Radha. She was like every other young girl. She went to school, hung out with her friends and dreamt of becoming a princess.



Just because she wanted to be a princess didn't excuse her from having to help her parents out at home. So she did her chores every day and, in return, her father gave her pocket money at the end of the week. But being just 9 years old, she never saved any of it and instead bought lots of pretty dolls and chocolates.



But one day, that happy, carefree life came to an end. Radha's father died. She and her mother were very sad and didn't know what to do. Every month, they struggled to scrape together enough money to pay for Radha's school fees, the rent, the electricity, the water bills and everything else they needed.

Radha missed her happy, carefree life. Her life was so hard now. She was always hungry and her clothes no longer fit. But as she watched her mother grow more tired and more worried as each day went by, she made a promise. "When I grow up, I am going to make sure we have enough money so we never have to worry about it anymore," she vowed. "I will take care of my mother and we will have enough food to eat." The only problem was she didn't know where to begin. Even though her parents had loved her very much, they had never taught her about the value of money and how important it was to save it.

One day, she was sitting by the pond near her house and dreaming about being a rich princess when, all of a sudden, a frog appeared

beside her. The frog said, "Hello, Radha, My name is Champak Lal. Back when I was a human, I was an evil money lender who took money from the poor and became rich. As punishment, God has asked me spend some time as a frog and teach one person about smart money management before I could turn into a human again. But everyone runs away from me."

Radha couldn't believe her ears. She thought perhaps she could learn from him how to save money so she and her mother would never have to worry again. And then she started to tell him how her father had died and how there was no money for her and her mother to live on now.

"First, you have to work out your budget" Champak Lal told Radha. "That means you have to write down everything you have to pay for every month and how much it costs. Then you have to work out what you have left over and how much you can save from that. It probably won't be much at first, but every little bit helps. When you get older, you can take all your money and use it to buy a house or pay for your college education. You could keep some of it and even use it for when you are too old to work anymore. If you manage to save enough money, you and your mother will be OK."

And with that, Champak Lal began to change back into a human because Radha had learnt a valuable lesson from him. Today, Radha and her mother have enough money for their future. And now they are saving to buy back their house.

Exercise

1) How did Radha's carefree and happy life come to an end?

2) What problems did Radha and her mother face after the death of her father?

3) What was the promise made by Radha for her future?

4) What difficulties did Radha face in fulfilling her promise?

5) Who was Champak Lal and why did he become a frog?

6) What lessons did Champak Lal teach Radha on smart money management?

7) What is the moral of the story?



Jumble Time

jumble words

Jumbled Words	Clue	Solution
Btegdu	Estimation of the revenue and expenses over a specified future period of time.	
Mneoy Mnetngamea	To manage money	

Fun Time

- 1) Radha used to spend money for purchasing _____.
a) Dolls and chocolates b) Books
c) Utensils d) Pencils

- 2) Champak asked Radha to make _____ for money management.
a) a list of expenses b) a list of sources
c) a budget d) a list of items she needed



**We should do
smart money
management.**



What do I save from my pocket money?

Grandfather's coins



Grandfather's coins

Every week, Medha and her cousins would go for a big family meal at their grandparents' house. They would always wait excitedly for the moment when their grandfather would give them a few coins each to buy whatever they wished to.



Most of the children would spend their coins in buying candies and toys, but Medha saved all her coins without spending on candies or toys. After two years Medha surprised everyone at the grandparents' house with a violin. When everyone asked her about it, she proudly said that she had bought it with her own money. She explained how she had saved all those coins that her grandfather gave every week. She also had learnt to play the violin. Hearing this, everyone was happy and they all praised Medha.



Years later, when Medha became a very famous violinist, she would always tell people how it was possible with just a few coins well spent.

Exercise

Who do you think used their Grandfather's coins better? Tick the correct box. Give your reasons.

Spending/ Saving	Wise Spending	Wasteful Spending	Reasons
Medha			
Medha's cousins			



Jumble Time

jumble words

Jumbled Words	Clue	Solution
nioCs	Metal Rupee	
gpeSnigd	Opposite of saving	

- The children spent their money buying _____.
 - Books
 - Pencil boxes
 - Candies and toys
 - Clothes and shoes
- Medha became a very famous _____.
 - Piano player
 - Dancer
 - Violinist
 - Singer

Fun Time



I am going to save some amount from my pocket money for future needs.



Tax?
My money to the
government.



Taxation

Types of Taxes

Do you know who builds the roads, hospitals, parks and bridges, etc in our country? The answer is our governments – central, state or local. But have you wondered where governments get the money to spend on building these things?

To promote economic growth and to improve the standard of living of people, the government has to spend on various welfare measures. These can be financed by collecting money from the public. The government finances its expenditure by imposing charges on citizens and corporate entities, which is called “taxation”. Taxation enables the government to generate a huge amount of revenue. There are two types of taxes in India – direct taxes and Indirect taxes.

Direct Taxes, as the name suggests, are taxes that are directly paid to the government by the taxpayer. It is a tax applied on individuals and organisations directly by the government e.g. income tax, corporation tax, etc.

Indirect Taxes are applied on the manufacture or sale of goods and services. These are initially paid to the government by an intermediary, who then adds the amount of the tax paid to the value of the goods / services and passes on the total amount to the end-user.

Taxation in ancient India

There is evidence that taxes on income have been levied in India since ancient times. The Mauryan Empire had a well-organised tax

system, which is mentioned in the 'Arthashastra'. A list of taxes and dues is mentioned which were collected by the ruler and the officials responsible for revenue collection. It also mentions that taxes were to be collected in kind – grains, cattle, gold, forest produce and so on. During the Mauryan period, land was regularly assessed and an appropriate level of tax was levied. Industries such as mining, textiles, wood and various craft guilds were also taxed. Guilds were large organisations that employed labour for a particular commodity. A state official called a Shulkadhyaksha collected the taxes on the traded commodities

Manu, the great law giver of the country has described in Manusmriti the policy behind taxes thus: "As the leech, the calf, and the bee take their food little by little, even so must the King draw from his realm, moderate annual taxes"

"It was only for the good of his subjects that he collected taxes from them, just as the Sun draws moisture from the Earth to give it back a thousand fold" – Kalidas in Raghuvansh eulogising King Dalip.

Exercise

Fill in the blanks:

- The medium through which the government finances its expenditure is called _____.
- A _____ tax is the tax whose burden falls on the person on whom it is imposed.
- Service tax is an example of _____.
- One example of direct tax is _____.
- Taxes play an important role in a country's _____.

Give one-word answers:

- A literary source that gives us information about the taxes in the Mauryan Empire. _____.
- The manner in which people paid tax in the past. _____.
- This industry was taxed in the ancient period. _____.
- The organisation that employs labour for a particular commodity. _____.
- The official who used to collect the taxes in the Mauryan Empire. _____.

Match the following:

- | | |
|--------------------|---------------------|
| a) Wealth tax | Tax in kind |
| b) Service tax | Direct tax |
| c) Forest produce | Indirect tax |
| d) Value added tax | State official |
| e) Shulkadhyaksha | VAT |
| f) Guilds | Mauryan Empire |
| g) Arthashastra | Large organisations |



Jumble Time

jumble words

Jumbled Words	Clue	Solution
ttionaxa	An income for the government	
Emiccoon Gthrw	The economy grows	
sISae Txa	A charge on sales	
Sceivre Txa	A charge on service eg. part of the restaurant bill	
Vleua dAded Txa	These indirectly charged taxes increase the cost of items	
Wthlea Txa	Wealthy people have to pay	
Santardd fO Lvingi	A means of measurement of wealth and comfort available to a community	
epxnetidEeu	An amount of money spent	
Dectir Txase	Paid directly by an individual	
eidnrctic Txase	Tax collected by an intermediary from the person who bears the ultimate economic burden of the tax.	
Icnme xTa	I am proud to pay this	

- _____ tax is directly paid by the taxpayer.
 - Direct
 - Sales
 - Service
 - Entertainment
- _____ is applied on sales of goods and services.
 - Indirect tax
 - Direct tax
 - Income tax
 - Toll

Fun Time



I feel proud to pay tax.





Can we grow money?

Nurturing the money plant



Pocket money

When they were 10 years old, Sunny and Bobby, twins, decided not to spend all of their pocket money and instead save some amount every month with their mother. Bobby stopped saving any money after five months, whereas Sunny continued to save money regularly for nine months. However, during this nine-month period Sunny had spent some money from his savings. After one year they compared their savings.

Sunny and Bobby's savings chart

Month	Sunny			Bobby		
	Pocket Money (A)	Expenses (B)	Savings (A-B)	Pocket Money (A)	Expenses (B)	Savings (A-B)
January	100	50	50	100	50	50
February	100	50	50	100	50	50
March	100	50	50	100	50	50
April	150	70	80	150	70	80
May	150	70	80	80	60	20
June	150	100	50			
July	200	70	130			
August	200	70	130			
September	200	120	80			
October	250	100	150			
November	250	50	200			
December	250	100	150			
Total	2100	900	1200	530	280	250

Exercise

1) Who has a larger balance at the end of May?

2) How much is Sunny's balance at the end of May?

3) What are Bobby's total savings at the end of April?

4) At the end of the year, who has a higher balance?

5) Why has Bobby's balance not increased from May until the end of the year?

1) Bobby stopped saving any money after _____ months.

- a) Five b) Six
c) Nine d) Four

Fun Time



2) Sunny saved money regularly for _____ months.

- a) Five b) Six
c) Nine d) Four



Yes, we can
grow money.

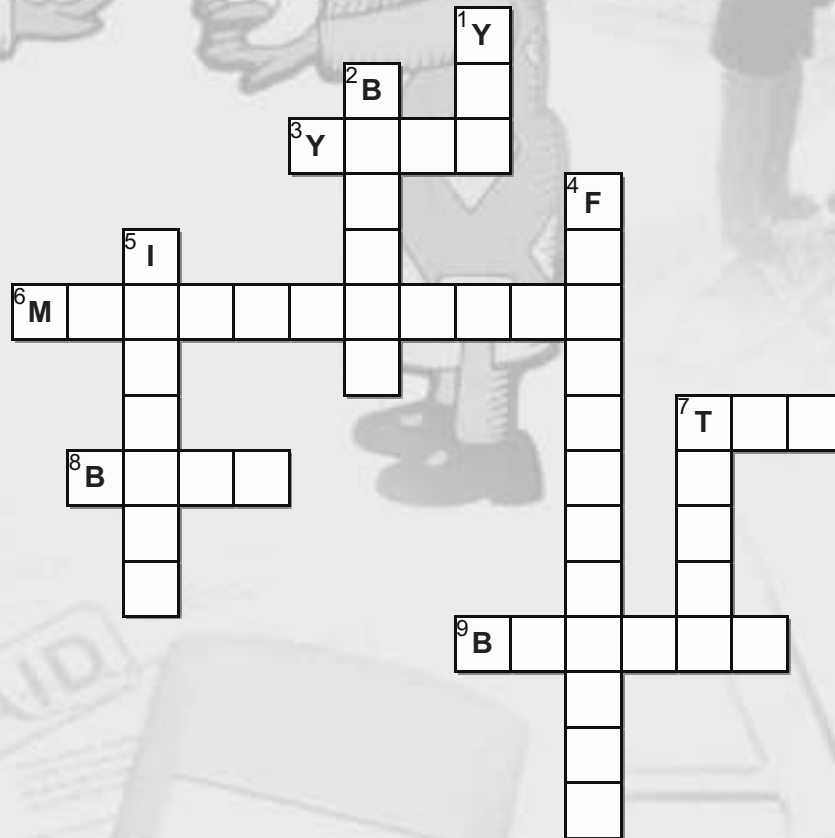


Time to solve
crosswords, Rashi!



Yeah, we will have fun,
Saif.

CROSSWORD



Across

3. Currency of China
6. A person or group who lends money to others
7. A compulsory contribution to State revenue levied by the government on citizens
8. A legal document stating the cash received for goods sold
9. Exchange of goods and services without the use of money

Down

1. Currency of Japan
2. An estimate of income and expenditure for a set period of time
4. Exchange of commodities between two or more countries
5. A document showing the amount due from the buyer or debtor
7. Business of buying and selling commodities



Time for more
crosswords, Munaf.



Gaming and learning
together ! Isn't it great?

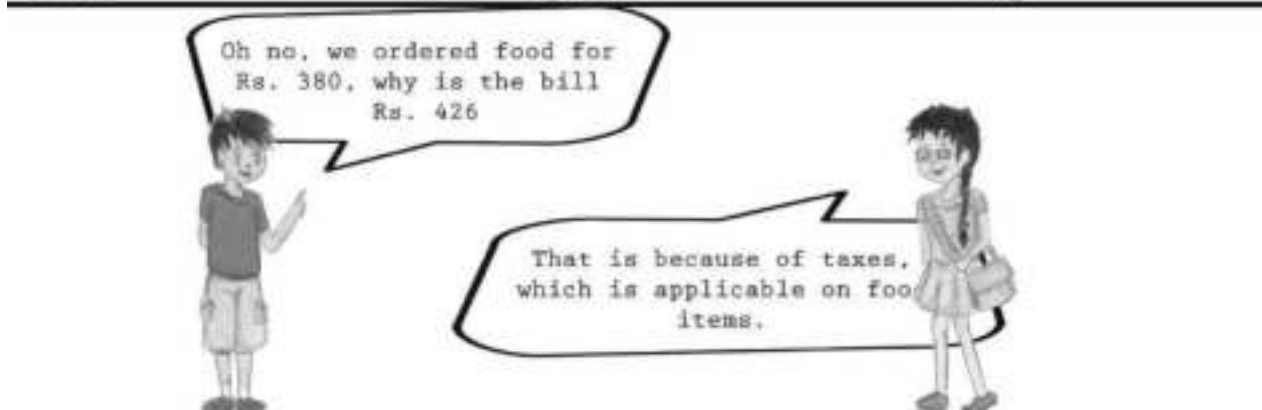
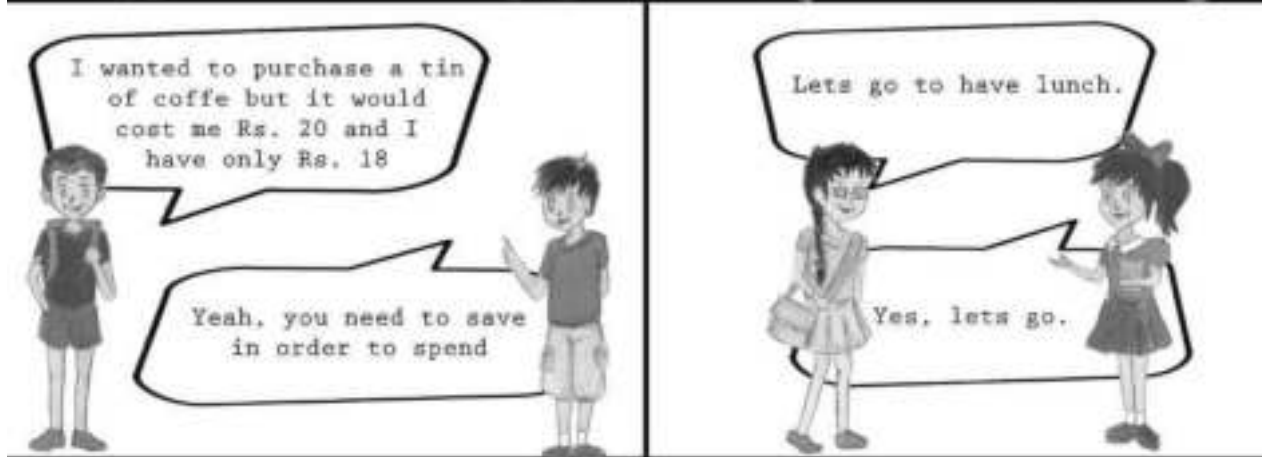


ACROSS

- 4 _____ system is a trade in which goods and services are exchanged without the use of money
- 5 _____ was written by Chanakya and has an organised tax system mentioned in it.
- 7 Sher Shah Suri issued a coin of silver called _____

DOWN

- 1 _____ Bank of India issues notes and coins on behalf of the government of India
- 2 \$ symbol is of the currency used in the USA
- 3 _____ enables the government to generate a huge amount of revenue
- 6 _____ is the transfer of ownership of goods and services from one person or entity to another by getting something in exchange





Prepared by:

