



TeeJay Publishers

Financial Maths - Life Skills

Value for Money UNIT

MNU 2·09a

Produced for TeeJay Publishers by Pamela Fraser, Financial Education Training Officer, Dumfries & Galloway.

CfE Level 2 - Lesson Plan

Introductory Offer! 50% Off

As low as £17.50/week

50% off on a 2-week trial.
(Corporate Box only)
Purchase 1 delivery
and the 2nd one is free.

No Contracts.



SPECIAL OFFER!

**33%
OFF**

**Special
Offer**

**BUY 2
GET 1
FREE**

→ HARD TO BELIEVE, HARDER TO RESIST ←

**50%
OFF**

ANY PIZZA

AT MENU PRICE

WHEN YOU ORDER ONLINE

**25% OFF
SALE**

Guidance Notes for Teachers

Value for Money Lesson

Lesson Objective: By the end of the lesson, pupils will have an awareness of loyalty card vouchers and other promotional discounts. Pupils will also learn the positive and negative impacts that such promotional material can have on a family's budget.

Curriculum for Excellence Money Outcomes: MNU 2.09a - I can manage money, compare costs from different retailers, and determine what I can afford to buy.

Lesson Introduction

Everyone likes spending money on something that they really want, especially if you have been saving that money up in your piggy bank for some time. But how much better does it feel when you get the item you are buying for a bargain - for less money than you were expecting to have to pay for it ?

People get bargains because shops will give discounts off the real price of an item. They sometimes do this to get rid of items that are difficult to sell; they might do it to encourage people to buy more when they visit the shop or they may do it to reward a customer who is loyal and shops in that store regularly. In the last case, customers who shop regularly in a particular shop may have something called a loyalty card.

A loyalty card is a plastic card which shows that you are a member of a loyalty programme. By being a member you will receive special discounts and offers as well as receive points for every £ that you spend in the store. These points will add up and are usually sent to the cardholder as gift vouchers once or twice a year, to be spent in the store or group of stores.

Bargains can be very tempting offers as you are getting something for less money than it would normally cost, but they are not always value for money, and therefore do not always save us money. Before buying the item you will have to decide whether it is something that you need - something that you will use or will you just be wasting your money in buying it ?

Discussion

Once the introduction has been completed with the class, the attached discussion notes sheet will assist you with increasing the pupils' understanding of loyalty cards, special offers and getting Value for Money.

Worksheet - Pupil Activity

During discussion, it should be ascertained that the pupils understand the concept of value for money and "getting a bargain" and the factors which determine true value for money offers. Pupils should then progress to a worked example. The questions are set around a scenario using real life monetary amounts.

Plenary

This sheet summarises the learning and highlights the key points of the Value for Money lesson.

Pamela Fraser

Discussion Notes

Value for Money

Q1: What is a loyalty card ?

A: A loyalty card is a plastic card which you receive when you join a loyalty programme with a particular store or group of stores. You are rewarded in points or special offers for using that store regularly.

Q2: Can you give 2 examples of real life loyalty cards ?

A: Answers will vary. Possible examples may include :- Tesco Club card, Nectar Points, GAME reward card, Boots advantage card, Superdrug card or Costa Coffee Club card.

Q3: Supermarkets often advertise bargains for shoppers. Can you provide 3 examples of the different types of bargains available ?

A: Again answers will vary, but correct answers should represent a variety of special offers such as buy one get one free, half price, 10% discount, bundles (buy game console and get a game & headphones free).

Q4: What does "value for money" mean ?

A: Value for money means get the most for your money. Getting the most for your money might be getting the biggest quantity of something or the best quality of something for the least amount of money.

Q5: At the local supermarket they have "Buy one Get one free" on all items. Give an example of one item where this offer might not be value for money and explain your reason.

A: Answers are individual but should be based on perishable goods or items that you are unlikely to use more than one of at any given time.

Supplementary Questions

Q6: What factors do you need to think about before you buy an item with 50% off the original price ?

- Can you afford to buy it ?
- Will you use it ?
- Do you already have something similar ?
- Should you use the money for something more important (at the time) ?
- Do you need it ?
- Is it the brand you use ?
- Are you only buying because it is cheap ?

Q7: When do you think bargains or special deals are the most useful to people ?

Answers will vary. Suggested answers may be :- when people are short of money and need to budget, when they have to buy a lot of items at one time e.g. special occasions, when they really need the item on special offer.

Value for Money Worksheet

Eve is a single mother with two sons Alfie & Finn. She is always looking for ways to save money and loves a bargain when out shopping. Eve has 2 loyalty cards; the loyalty cards allow her to collect points when she spends money in the shops and to benefit from special offers that can save her money when she is shopping. It is important that Eve only spends money on the offers that will save her money. Can you help her to do this ?



1. Eve has checked her Barrows Supermarket loyalty card statement online and discovers she has 3450 points. If 1 point equals 1p how much money will she receive in vouchers ?



2. The vouchers arrive a week later. As well as the money vouchers there are some special offers. Which of the vouchers do you think Eve will be able to use when she goes shopping ?



3. While shopping, Eve buys 2 cans of tomato soup, 2 cans of mushroom soup, 2 cans of chicken soup and 2 cans of vegetable broth costing £1.05 each.

How much money does she save by using her voucher ?

4. The supermarket has a number of deals on in the store, but they are not all good value for money.

Which of the following deals would be value for money?

- a One jar of coffee for £3.25 or buy 2 jars for £5.49.
- b Buy one get one free on frozen pizzas.
- c 4 pack of baked beans special price £3.20 or 1 tin of baked beans for 74p.
- d Yogurt pack was £1.85 now at the special price of £1.90.
- e Buy one get 2 free on packets of salad vegetables.

5. When she uses her supermarket loyalty card, Eve receives 1 point for every £1 she spends.
- If she spends £84.50 doing her weekly supermarket shop how many points will she earn, including the voucher for her washing up liquid ?
 - If she receives 1p for every point how much money has she earned towards her next vouchers ?
6. How much money will Eve pay for her final bill if she uses the vouchers she has ?

7. Eve's other loyalty card is for her favourite clothes store "Threads".
The card doesn't give her points, but she sometimes gets sent special offers.
The latest offer is :-

• Spend £60 or more and get 20% of your next purchase.

- Do you think this is a good deal ?
- The offer only lasts for 30 days.
Is this still a good deal ?



8. Browsing "Threads" website Eve discovers that loyalty card holders can get 5% off everything bought **online** with free delivery.
- Eve buys a dress for £49.00 and a pair of shoes for £32.00. How much money does she save on the purchases because she is a loyalty card holder ?
 - What is her total savings if the cost of delivery was normally £4.95 ?



Comparing the Barrows Supermarket loyalty card with the Threads loyalty card, which do you think is the better card for Eve ?

Why do you say this ?

Value for Money Worksheet - Answers

1. Eve would get £34.50 in vouchers.
2. The washing up liquid voucher, tea bag voucher, and the soup voucher would all be of interest to Eve and her family.
3. The voucher was for buy one get one free so Eve only pays for 4 of the tins saving her £4.20.
4. The offers for the coffee and the pizzas are good deals. The salad vegetables may go off before the family has a chance to use them, *(but they are free !)*.
5. **a** Eve will earn 124 points. 84 points from her shopping bill and an additional 40 from using the washing up liquid voucher.
b She has earned £1.24 towards the next vouchers.
6. Eve has to pay £50 cash towards her bill with the balance of £34.50 paid in vouchers.
7. **a** It's not a good deal as it is encouraging Eve to spend more money before she saves any money. She might end up spending money on something that she doesn't need just to get the deal.
b The short timescale of the special offer makes it even less attractive.
8. **a** Eve saves £4.05 by buying the items online.
b Her total saving is £9.00.
9. The Barrows Supermarket loyalty card is the best card for Eve. She probably shops at the supermarket every week and gets a reward for doing so. Once the points add up she can save money by using the vouchers to pay her shopping bill. The Threads card only saves her money on her next purchase after she has bought something.



Summary/Plenary Sheet

The exercise you have just completed teaches us about Value for Money. We have learned about **loyalty cards** and how they work and we have also learned how to identify whether a special deal/offer is actually value for money or not. Saving money wherever we can is important as it helps us to manage our money better.

Questions to assess student understanding

Eve did not use the first offer that she received from Threads.

Why do you think she didn't use it ?

She did not think it was Value for Money. She had to spend money on something that she did not need to take advantage of their offer. She did not feel it was a reward for her loyalty.

Why do you think shops and stores put on special offers ?

- To get people to shop in their shop rather than the competition.
- To promote a new product.
- To encourage people to buy products that might not be selling so well.
- To encourage people to spend more money.

If you owned a shop, what type of special offers would you use to give people Value for Money ?

This answer will depend on the pupil's own opinion but it should display that they have thought about what the customer wants and will find attractive. Also it should confirm that they are putting the customer first (customer satisfaction is very important).

Recap on Key Learning Points

- Value for Money should mean that you have got high quality products or services for the money you have paid for them.
- A loyalty card is a plastic card which shows that you are a member of a shop or group of stores' loyalty programme.
- Using a loyalty card when you are in that shop will mean that you will earn points which will eventually be exchanged into money vouchers.
- You may also be offered special deals as a loyalty cardholder.

Extended Learning

For teachers wishing to further the lesson by issuing homework or extended learning opportunities to pupils the following are suggested activities :-

- **Review newspapers** or magazines for special offers and make a Value for Money collage.
- Working in groups, get pupils to **research different loyalty cards** online and carry out an investigation to discover which card gives the most benefits to the cardholder.
- See **TeeJay's Book 2a, Chapter 8**.