

Motorcycle Mayhem

Key financial ideas

- ★ Having goals for saving encourages people to put money aside from their income to spend at a later time.
- ★ Sensible spending includes shopping around to find the best deals.

Activity One

Daniel is Rebecca and Connor's older brother. He is doing an engineering apprenticeship in Tokoroa, where he boards with relatives. His goal is to own a motorbike.

Paying board is my main expense, but the rest of my pay seems to get spent, too. So I've opened a savings account ...

Daniel's savings account statement (he also has a cheque account):

Date	Transaction	Debit/Withdrawal (\$)	Credit/Deposit (\$)	Balance (\$)
				50.00
31 Mar	Opening balance		200.00	250.00
11 Apr	Transfer a/c 3651233 00		200.00	450.00
25 Apr	Transfer a/c 3651233 00			447.50
28 Apr	Bank fee	2.50		449.85
28 Apr	CR interest		2.35	449.07
28 Apr	IRD: Tax on interest	0.78		2 449.07
1 May	Transfer – external		200.00	2 649.07
7 May	Transfer a/c 3651233 00		200.00	2 849.07
21 May	Transfer a/c 3651233 00			2 846.57
31 May	Bank fee	2.50		2 860.80
31 May	CR interest		14.23	2 856.10
31 May	IRD: Tax on interest	4.70		2 856.10
31 May	Closing date	Closing balance		2 856.10

Use Daniel's savings account to answer the following questions:

- 1 a. How often do you think Daniel is paid?
b. How much does Daniel save with each pay?
- 2 a. When did Daniel receive the \$2,000 from Granny?
b. How long would it have taken to save the \$2,000 himself?
- 3 How much does Daniel have available at the end of May to spend on his motorbike?

Reflective question ★ What motivated Daniel to save?

Activity Two

Daniel has researched a number of different second-hand motorbikes. He knows he wants a bike with a 250 cc engine, but there's a lot of variety in features and prices. Here are some bikes for sale that Daniel has looked at:

The image shows four motorbikes for sale, each in a separate advertisement box. The bikes are: Yamimoto FZX250 (red and black, \$3,495), Aiko Ninja 250 (dark brown, \$5,350), Wild Cat RV250 (orange and white, \$8,900), and Katashi RV250 (light blue and white, \$1,800). A woman with glasses and curly hair is shown in a circular inset, saying "Nice ride!" in a speech bubble.

- 1 Which bikes does Daniel have enough money for now?
- 2 How long would it take him to save for the most expensive bike?
- 3 What other expenses do you think Daniel will have to consider if he buys a bike?

Reflective questions ★ Does every person make the same decisions about how to get what they want? Why or why not?
★ What factors might influence people's choices?