**KEYWORDS**

**Expenditure** - This is what people choose to spend

their income one in order to satisfy their needs and wants

**Fixed Expenditure** - This expenditure is the same amount

begin spent each week. It includes the following Rent, Insurance

**Irregular Expenditure** - This expenditure varies in

amounts from week to week and are not as frequent as fixed

expenditure. This type of expenditure includes Groceries

**Discretionary** - This is spending on non-essential items that we

chose to buy. It satisfies a want more than a need. They should

only be bought after essential items have been purchased. They

included Holidays and presents

**Current Expenditure** - This expenditure is continuous and

regular. It is also known as the day to day expenditure. Example

include Rent, Education

**Capital Expenditure** - This expenditure is less regular than

current expenditure and may be a once off payment or not

repeated for a long time. Example include a new car

**Impulse Buying** - This is buying things that are unplanned or

bought on the spur of the moment. These items may not be

needed, and you might not be able to afford them

**False Economy -** This is a purchase that appears to be

good for money but in the long term turns out to be more

expensive. For Example, buying something in a sale thinking you

are getting a bargain but it puts un under financial pressure

Cut avoid impBeware of False economyCheck

**SELF-TEST QUESTIONSONS**

1. Explain the difference between fixed, irregular and discretionary spending

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3. Define impulse and false economy

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EXPENDITURE

**EFFECTIVE SPENDING**

**SOLUTION TO OVER-SPENDING**