

Income
(1.2 - Income)



1. Refers to all the money received over a period
2. Income comes in a variety of different types and sources.
3. Money coming to a household or individual is called Income.
For Example - wages, pensions, child benefit, Jobseekers allowance, Interest on savings and Benefit in Kind

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Benefit in Kind
(1.2 - Income)



These are goods made by people - they allow people to meet their day-to-day needs

For Example - Buildings, Vehicles, Computers

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Regular Income
(1.2 - Income)



Some source of finance are received on regular basis (Every month/week)

For example, Wages, salaries and Child benefit

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Irregular Income
(1.2 - Income)



This type of income is unpredictable and is not received every week or month

For example, Overtime

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Salaries
(1.2 - Income)



1. This is a fixed payment made to an employee for work carried out.
2. It is usually paid monthly. Employees who receive a salary don't receive overtime payments

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Wages
(1.2 - Income)



1. This is a payment for work done.
2. These payments vary for one period to the next as it depends on how many hours have been worked in that period.

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Time rate
(1.2 - Income)



This is calculate based on the number of hours worked

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Wants
(1.2 - Income)



1. This is something that we would like to have but it is not essential.

For example, Laptop

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Money
(1.2 - Income)



This is anything of value that is accepted by people in exchange for something you wanted.

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Overtime
(1.2 - Income)



1. This is paid when an employee works longer than 39 hours a week. For every hour worked over this they will receive a higher rate of pay. For example, double time

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Piece rate
(1.2 - Income)



This is paid based on the amount of work completed or product produced

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Commission
(1.2 - Income)



1. Sales staff will receive a payment based on the amount of sales they achieve in a period.
2. It rewards staff so the more they sell the more commission they receive.

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Bonus
(1.2 - Income)



1. These are extra payment on top of an employee's basis wage.
2. They are usually are usually paid a Christmas

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Gross Pay
(1.2 - Income)



1. This is the employees paid before any deductions.
2. It is basis pay plus any extra income for example overtime

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Formula Gross Pay
(1.2 - Income)



Gross pay =
Basis Pay + Overtime + Bonuses

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Nett Pay
(1.2 - Income)



- 1, This is also known as take home pay.
2. It is the money left after deduction are taken away from Gross Pay

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Formula Nett Pay
(1.2 - Income)



Net pay =
Gross pay - Deductions

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Statutory Deductions
(1.2 - Income)



1. These are compulsory deduction and must be paid by law.
2. This money is paid to the Government to run the Country.

For Example, PAYE

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Voluntary deductions
(1.2 - Income)



1. These are deduction that are not compulsory, and the employee will choose to pay them

For example, Union fees VHI

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Disposable Income
(1.2 - Income)



This is the money that the employee has left over after all income tax and compulsory payment have been paid.

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Formula Disposable Income
(1.2 - Income)



Disposal Income =

Gross Income - Statutory Deductions

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Discretionary Income
(1.2 - Income)



This is the money that an employee has left over after all taxes and essential spending has been paid

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Formula Discretionary
(1.2 - Income)



Discretionary income =
gross Income - Statutory deduction - Essential payment s(Bills)

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Expenditure
(1.2 - Expenditure)



This refers to what the people choose to spend their income in order to satisfy their needs and wants

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Fixed Expenditure
(1.2 - Expenditure)



1. This type of expenditure is the same amount of money begin spent each week.
2. This type of expenditure includes the following
 - 1) Mortgage repayments
 - 2) Rent
 - 3) Car Repayments

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Irregular Expenditure
(1.2 - Expenditure)



1. This type of expenditure varies in amounts from week to week and they are not as frequent as fixed expenditure.
2. This type of expenditure includes
 - 1) Groceries
 - 2) Clothing

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Discretionary Expenditure
(1.2 - Expenditure)



1. This is spending on non-essential items
2. It usually satisfies a want more than a need.
3. This type of expenditure Include
 - 1) Entertainment
 - 2) Holidays

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Current Expenditure
(1.2 - Expenditure)



1. This type of expenditure is continuous and regular.
2. It is also known as the day-to-day expenditure.

For Example, Groceries, Utility Bill, Rent, Educations

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Capital Expenditure
(1.2 - Expenditure)



1. This type of expenditure is less regular than current expenditure and may be a once off payment or not repeated for a long time.

For Example, A new Car
2) A lab top

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Impulse Buying
(1.2 - Expenditure)



1. This is buying things that are unplanned or bought on the spur of the moment.
2. These items may not be needed, and you might not be able to afford them.

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False Economy
(1.2 - Expenditure)



1. This is a purchase that initially appears to be good for money but in the end turns out to be more expensive.

For Example, not servicing your car to save money which might result in a major fault

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