

Managing Money as a Student

COMPREHENSION • VOCABULARY • DISCUSSION

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Reading Passage

Read the passage carefully. Each paragraph is labelled with a letter for easy reference.

- A** Managing money as a student can be challenging, but with careful planning, it is possible to live within your means. Many students often rely on part-time jobs to help cover their expenses. For example, Sarah, a first-year university student, works at a local coffee shop. She earns about \$200 a week, which helps her pay for groceries and transportation. Sarah also keeps track of her spending by using an app on her phone. This way, she knows how much money she has left each month.
- B** Budgeting is another important skill for students. By creating a budget, students can prioritize their needs. For instance, John, a second-year student, has a budget of \$500 for the month. He allocates \$200 for rent, \$100 for food, and the rest for entertainment and savings. Sometimes, he cooks at home instead of eating out to save money. By managing his finances wisely, John can enjoy his student life without financial stress. Learning to manage money now will help students in the future as they begin their careers.

Vocabulary Glossary

Key words and phrases from the passage. Study them before attempting the exercise below.

WORD / PHRASE	DEFINITION	EXAMPLE SENTENCE
challenging	difficult to do or deal with	<i>Learning a new language can be challenging.</i>
rely	to depend on someone or something	<i>Children rely on their parents for food and care.</i>
expenses	money spent on things you need or want	<i>Rent and food are common monthly expenses.</i>
groceries	food and household items you buy from a store	<i>She goes to the store every week to buy groceries.</i>
transportation	ways of moving people or things from one place to another	<i>Buses and trains are common forms of transportation.</i>
allocate	to give or assign something for a specific purpose	<i>He allocated part of his money for a new phone.</i>
prioritize	to decide what is most important and do it first	<i>You should prioritize your homework before playing games.</i>
financial	relating to money	<i>She is seeking financial advice to manage her money better.</i>

Vocabulary Exercise — Fill in the Blank

Use one word or phrase from the glossary above to complete each sentence. Each item is used only once. Answers are on the final page.

1. Studying for exams can be very _____ for many students.
2. Many people _____ on public transport to get to work.
3. Buying new clothes can be an extra _____ that some cannot afford.
4. We need to buy _____ for the week, such as bread and milk.
5. The company will _____ funds for the new project.
6. It is important to _____ which tasks to do first when you are busy.

Comprehension Questions

These questions are different from the online practice test. Choose the best answer (A, B, C, or D). Answers and explanations are on the final page.

Question 1

What is the main idea of the passage?

- A. Students should avoid part-time jobs.
- B. Budgeting is not necessary for students.
- C. Managing money is important for students.
- D. Students should spend all their money on entertainment.

Question 2

Why does Sarah use an app on her phone?

- A. To find new part-time jobs.
- B. To keep track of her spending.
- C. To chat with friends.
- D. To listen to music.

Question 3

What does John do to save money?

- A. He avoids paying rent.
- B. He eats out every day.
- C. He cooks at home.
- D. He buys expensive groceries.

Question 4

How does the passage suggest students can reduce financial stress?

- A. By only spending on entertainment.
- B. By managing their finances wisely.
- C. By avoiding all expenses.
- D. By working multiple jobs.

Question 5

What is the purpose of mentioning Sarah and John in the passage?

- A. To show that all students are the same.
- B. To give examples of different money management strategies.
- C. To argue students should not work while studying.
- D. To explain why students should not budget.

Discussion & Writing Prompts

Each prompt references a specific detail from the passage above. Use for classroom discussion or a short written response (150–200 words).

1. Paragraph 1 describes Sarah earning \$200 a week from her job. Do you think this amount is enough for a student to manage monthly expenses, and why?

2. In Paragraph 2, John allocates \$200 for rent each month. How do rental costs in your area compare, and what challenges do students face in finding affordable housing?

3. The passage suggests budgeting helps students avoid financial stress. Do you think budgeting is equally important for working adults, and how might their budgeting strategies differ?

Answer Key

COMPREHENSION QUESTIONS

Q1 C

Q2 B

Q3 C

Q4 B

Q5 B

VOCABULARY EXERCISE

FIB1 challenging

FIB2 rely

FIB3 expense

FIB4 groceries

FIB5 allocate

FIB6 prioritize

Comprehension Question Explanations

Why the correct answer is right — and why each wrong option is incorrect.

1. What is the main idea of the passage?

✓ C — Managing money is important for students.

The passage focuses on how students can manage their money effectively.

✗ A — Students should avoid part-time jobs.

The passage suggests students often rely on part-time jobs, not avoid them.

✗ B — Budgeting is not necessary for students.

The passage highlights budgeting as an important skill.

✗ D — Students should spend all their money on entertainment.

The passage emphasizes wise spending, not spending all on entertainment.

2. Why does Sarah use an app on her phone?

✓ B — To keep track of her spending.

The passage states that Sarah uses an app to keep track of her spending.

✗ A — To find new part-time jobs.

The passage does not mention Sarah using an app to find jobs.

✗ C — To chat with friends.

The passage does not mention Sarah using an app to chat with friends.

✗ D — To listen to music.

The passage does not mention Sarah using an app to listen to music.

3. What does John do to save money?

✓ C — He cooks at home.

The passage mentions John cooks at home to save money.

✗ A — He avoids paying rent.

The passage does not suggest John avoids rent.

✗ B — He eats out every day.

The passage states John sometimes cooks at home instead of eating out.

✗ D — He buys expensive groceries.

The passage does not mention buying expensive groceries.

4. How does the passage suggest students can reduce financial stress?

✓ B — By managing their finances wisely.

The passage states that managing finances wisely helps reduce financial stress.

✗ A — By only spending on entertainment.

The passage emphasizes balanced spending, not just spending on entertainment.

✗ C — By avoiding all expenses.

The passage does not suggest avoiding all expenses.

✗ D — By working multiple jobs.

The passage does not mention working multiple jobs.

5. What is the purpose of mentioning Sarah and John in the passage?

✓ **B — To give examples of different money management strategies.**

Sarah and John's examples illustrate different strategies for managing money.

✗ **A — To show that all students are the same.**

The passage highlights their unique strategies, not uniformity.

✗ **C — To argue students should not work while studying.**

The passage supports part-time work for managing expenses.

✗ **D — To explain why students should not budget.**

The passage supports budgeting as an important skill.

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