



### Lesson Three Vocabulary: Budgeting

| TERM             | DEFINITION |
|------------------|------------|
| Impulse Purchase |            |
| Opportunity Cost |            |
| Budget           |            |
| Liabilities      |            |
| Deficit          |            |
| Fixed Expense    |            |
| Debt             |            |
| Need vs. Want    |            |
| Cash Flow        |            |
| Surplus          |            |



### Lesson Three Vocabulary: Budgeting [ANSWER KEY]

| TERM             | DEFINITION  |
|------------------|---|
| Impulse Purchase | Unplanned decision to buy a product or service, made just before a purchase.  |
| Opportunity Cost | The cost of an alternative choice   |
| Budget           | An estimate of income and expenditure for a set period of time.   |
| Liabilities      | The state of being responsible for something, especially by law.  |
| Deficit          | The amount by which something, especially a sum of money, is too small.   |
| Fixed Expense    | An expense that remains the same total amount regardless of changes in the amount of sales, or production.                              |
| Debt             | Something, typically money, that is owed or due.  |
| Need vs. Want    | <b>Need:</b> Something that is required because it is essential or very important.<br><b>Want:</b> A desire to possess or do something. |
| Cash Flow        | The total amount of money being transferred into a business.  |
| Surplus          | An amount of something left over when requirements have been met.   |