

Activity 1.4: Budget Basics

PART A: OVERVIEW

1. In your own words, write a definition for the term: **budget**.
2. Would you rather have a **surplus** or a **deficit**? Why?
3. Explain the terms **deficit** and **debt**, and how they relate to each other.
4. Why can borrowing be necessary? Provide an example.
5. Why do you think it is important to budget money?

