

CASHFLOW CHAMPIONS



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THE BOOK

THE WORKSHEETS



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INFORMATION ONLY

How to use CASHFLOW CHAMPIONS

I am a teacher

(All of the instructions here can be done either in electronic format on student devices or in printed format)

1. Teacher preparation: Read the book and all of the worksheets and do the course
- 2. First lesson**
3. Explain to your students that this course will be very important to their lives now and in the future
4. Distribute Chapter 1 of the book to your students. *Keep part of what you earn.*
5. Distribute the worksheet for Chapter 1 to your students
6. Get the students to read Chapter 1 and complete the worksheet
7. Collect the worksheet responses from your students
- 8. Overnight**
9. Mark the worksheet using the detailed answers and marking scheme
- 10. Second lesson**
11. Return the marked worksheet to your students with the detailed answers
12. Get the students to write the correct answers on their worksheets
13. Class discussion of the contents of chapter 1
- 14. Third and subsequent lessons**
15. Repeat steps 4 to 13 for Chapter 2 - *Understand the value of time*
16. Repeat steps 4 to 13 for Chapter 3 - *Use the miracle of compounding*
17. Repeat steps 4 to 13 for Chapter 4 - *Know your enemies*
18. Repeat steps 4 to 13 for Chapter 5 - *Control your borrowing*
19. Repeat steps 4 to 13 for Chapter 6 - *Become a goal setter*
20. Repeat steps 4 to 13 for Chapter 7 - *Know where you are now*
21. Repeat steps 4 to 13 for Chapter 8 - *Become an investor*
22. Repeat steps 4 to 13 for Chapter 9 - *Keep learning*
23. Repeat steps 4 to 13 for Chapter 10 - *Follow the process*
- 24. Give the course completion certificates to your students**

I am an individual taking this course

(All of the instructions here can be done either in electronic format on a device or in printed format)

1. Read Chapter 1 of the book. *Keep part of what you earn.*
2. Do the worksheet for Chapter 1 (do **not** look at the answers)
3. Mark your answers for worksheet 1 using the detailed answers supplied
4. Write down the score you achieved
5. Write the correct answers on your worksheet
6. Write notes for yourself about the content of Chapter 1
7. Repeat steps 1 to 6 for Chapter 2 - *Understand the value of time*
8. Repeat steps 1 to 6 for Chapter 3 - *Use the miracle of compounding*
9. Repeat steps 1 to 6 for Chapter 4 - *Know your enemies*
10. Repeat steps 1 to 6 for Chapter 5 - *Control your borrowing*
11. Repeat steps 1 to 6 for Chapter 6 - *Become a goal setter*
12. Repeat steps 1 to 6 for Chapter 7 - *Know where you are now*
13. Repeat steps 1 to 6 for Chapter 8 - *Become an investor*
14. Repeat steps 1 to 6 for Chapter 9 - *Keep learning*
15. Repeat steps 1 to 6 for Chapter 10 - *Follow the process*
- 16. Print the course completion certificate and have it framed!**

10 simple steps to financial freedom



NOEL WHITTAKER

Australia's most trusted finance writer

10
simple
steps
to financial
freedom

NOEL WHITTAKER

NWH

By the same author:

MAKING MONEY MADE SIMPLE	MORE MONEY WITH NOEL WHITTAKER
GETTING IT TOGETHER	LIVING WELL IN RETIREMENT
GOLDEN RULES OF WEALTH	CONTROLLING YOUR CREDIT CARDS
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SUPERANNUATION MADE SIMPLE	BORROWING TO INVEST
LOANS MADE SIMPLE	SUPERANNUATION MADE EASY
MONEY TIPS	THE BEGINNER'S GUIDE TO WEALTH
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Co-authored with Julia Hartman:

SAVING TAX ON YOUR INVESTMENT PROPERTY
WINNING PROPERTY TAX STRATEGIES

10 SIMPLE STEPS TO FINANCIAL FREEDOM

First published in Australia in 2022 by Noel Whittaker Holdings Pty Ltd

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*This book is dedicated to the young people of the world.
I hope the simple ideas in this book will guide you
to a future beyond your wildest dreams.*

About the author

International bestselling author, finance and investment expert, radio broadcaster, newspaper columnist, and public speaker, Noel Whittaker is one of the world's foremost authorities on personal finance.

Noel reaches over three million readers each week through his columns in major Australian newspapers in Sydney, Melbourne, Perth, and Brisbane. He is a contributor to various magazines and websites, and appears regularly on radio and television.

Noel is one of Australia's most successful authors, with 24 bestselling books achieving worldwide sales of more than two million copies. His book *Making Money Made Simple* set Australian sales records and was named in the 100 Most Influential Books of the Twentieth Century.

For 30 years, Noel was a Director of Whittaker Macnaught, one of Australia's leading financial advisory companies, with more than \$2 billion under management. He relinquished all interests in that business in 2007.

In 2011, he was made a Member of the Order of Australia for service to the community in raising awareness of personal finance.

Noel is now an Adjunct Professor with the Queensland University of Technology and a member of the Australian Securities and Investments Commission (ASIC) consumer liaison committee.

Acknowledgements

This book is intended to be a gentle introduction to the world of finance, as well as a legacy to my grandchildren. But it's no easy task to condense the huge world of finance and money into 10 simple steps. That's why I am so grateful to all those people who contributed to the final product.

I am indebted to my wife, Geraldine, for spending many hours with me debating the content; my long-time editor Helena Bond, who always goes the extra mile; and to my good friends Samantha Scott, Mikayla Murphy, Eve Lutton, Ros Diskin and Colin Newton who spent so much time reading and commenting on the manuscript. Of course, I must acknowledge the feedback from my grandchildren Frederick and Patrick Whittaker. It gave me a new insight into what young people are interested in learning about.

Special thanks to Sharon Felschow, who has been typesetting my books for over 20 years — she is a wonderful designer and her attention to detail is exceptional. Paul Lennon has done a great job on the cartoons as always, and McPhersons, as usual, have taken care of the printing.

Contents

About the author *ii*

Acknowledgements *iv*

Introduction *1*

- 1** Keep part of what you earn *5*
- 2** Understand the value of time *15*
- 3** Use the miracle of compounding *23*
- 4** Know your enemies *35*
Knowledge is power 43
- 5** Control your borrowing *45*
Good debt 56
- 6** Become a goal setter *63*
Set goals 67
Combine goals 78
- 7** Know where you are now *85*
Supercharge it 92
- 8** Become an investor *95*
Keep some cash available 98
Invest in growth assets 99
Have it all 112

- 9** Keep learning 115
 - Your mastermind group* 119
 - Self-talk* 123

- 10** Follow the process 125
 - Get started* 131
 - Keep going* 134

- APPENDIX 1** The fairy godmother and the magic train 137

Introduction

What then is freedom? The power to live as one wishes.

Marcus Tullius Cicero

Almost everybody wants financial freedom, but the term financial freedom may have a range of meanings depending on where you are in life. To one person it may mean being free of bills piling up — to another having the resources to travel wherever and whenever they want, and to another it could mean having enough money to live without stress. So really you will need to decide what “financial freedom” means to you. And, of course, as you travel through life, your attitude to money may well change.

I know that having money is not a guarantee to happiness, but lack of money is one of the biggest causes of stress in the community and one of the major reasons for relationship breakdowns.

A research paper published by Mortgage Choice and CoreData in 2019 revealed that more than 50% of Australians feel financially stressed, with most of them saying it affects their well-being negatively. Furthermore, almost half of the respondents admitted to being embarrassed by their financial problems.

Achieving financial freedom depends on following some simple rules, but the problem is how do you get started. The libraries are full of books on how to become wealthy, and there are blogs, podcasts, apps and Facebook groups all pouring out information.

The good news is that, when you get down to it, financial freedom really depends on understanding some basic wealth creation principles and putting strategies in place so they become part of your thinking for the rest of your life.

That was the reasoning behind this book. I have written 24 books on personal finance, and my published material would cover over three million words. But time and time again I have been asked if I could write a book that was not too hard to read, which did not have hundreds of pages, and which would give young people an insight into

the world of finance, and the motivation to keep moving forward.

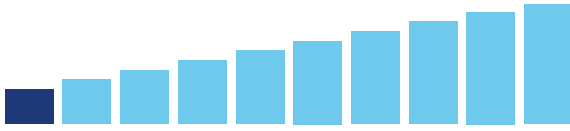
I decided to write this book as a legacy to my own children and grandchildren as well as for anybody who is keen to learn about finance. Therefore it's in a format as if it's a conversation around the dinner table.

This book is easy to follow, yet the sad reality is that 90% of people spend most of their lives struggling to get by, and worrying about money. If you take on board what you are about to read you will be one of the special few in the top 10%.

This book has the potential to change your life so don't waste the opportunity. Let's get started.

A handwritten signature in blue ink, reading "Neal Quinn". The signature is written in a cursive style. The name "Neal" is on the left, and "Quinn" is on the right. A horizontal line is drawn under the "Quinn" part of the signature.

CHAPTER 1



Keep part of what you earn

Financial independence is the ability to live from the income of your own personal resources.

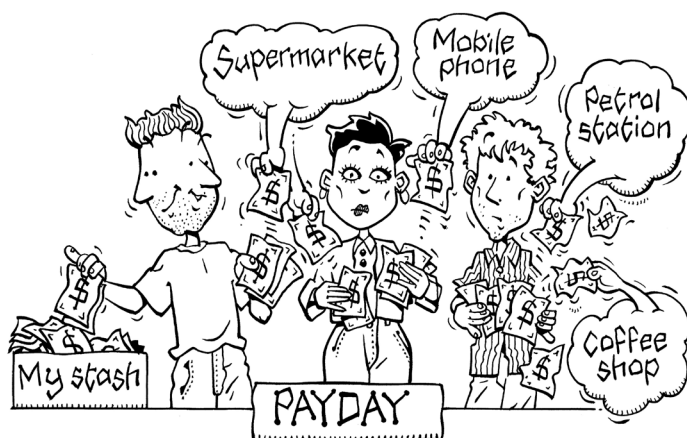
Jim Rohn

If you want to live your life without money worries, you need to develop a financially successful mindset. As a bonus, the principles you need are exactly the same as the principles for success in sport, health, business, or just about anything else. But let's stick with money for now.

You'll need to earn money by your own efforts, first by getting a job, and then possibly by being involved in a successful business, and at the same time accumulate enough money to get you to where

you want to be. If you do it right, that money will eventually produce more income than you could ever earn in a job. Given that most people want or need to stop working at some stage, building your money stash is essential.

The thing you need to do is simple: as soon as you receive any money, put part of it into your money stash. The best way to do this is by putting part of each pay aside, but you can also put aside a bit of **any** money you receive — whether it's a gift, a prize, or a dollar you find in the street.



It's a simple concept, but this is the main area where **most people** fall by the wayside.

Let's talk about "most people". **Most people** don't reach financial independence because **most people** never get around to doing what needs to be done to get there. So there is a big chance that

most of your friends from school, and people you meet at work and university, will probably be facing their own financial challenges.

This is your first challenge: *you will need to act differently, to go against the herd mentality, and that is usually not an easy thing to do. Some people call it “taking the road less travelled” — choosing a different path through life from the one **most people** take.*

If you analyse the spending habits of **most people**, you will find they are effectively working for everybody but themselves. Let's say you get a full-time job at 20, earning \$45,000 a year. If you're like **most people**, very little of it will stay in your own pocket. Instead it will go to supermarkets, mobile phone companies, the landlord, coffee shops, and petrol stations. Yet over a 45-year working life, you would have earned more than \$2 million.

At some point you might have managed to swap rented accommodation for a place of your own, but the point remains. At the end of your working life, you'll hopefully own a home that you paid off many years ago, but your only savings may well be your superannuation. In many cases this would have

been provided entirely by your employer putting aside a part of your everyday pay on your behalf.

So, you need to develop a mindset that becomes part of you: you work for yourself first, by keeping a part of every dollar you receive. To achieve this, you must always spend less than you earn.

If you spend more than you earn, you have to borrow to make up the shortfall. This makes it much harder to cope with money pressures in the future, as part of everything you earn is already committed to repayments. It puts the principles of financial success to work *against* you — that’s the last position you want to be in.

A graphic from Finder, a financial services company. It features the Finder logo (a magnifying glass icon followed by the word "finder") in the top left. To the right of the logo is a navigation menu with links for "Money | Insurance | Energy | Shopping | Technology | Travel". Below the logo and menu is a solid blue horizontal bar containing the text "Media Release" in white. Underneath the blue bar is the headline "Strapped for staples: 3.8 million Aussies don't have funds at the checkout" in a bold, blue font.

finder Money | Insurance | Energy | Shopping | Technology | Travel

Media Release

Strapped for staples: 3.8 million Aussies don't have funds at the checkout

I love George Clason’s phrase, “a part of all you earn is yours to keep”, but in the early stages it may be best to think of it more as, “a part of all I receive must be used to improve my financial position”. There are many ways to use your stash of money to improve your financial position over time. Your best strategy will depend very much on where you are right now.

EXAMPLES

- If you have already got yourself in consumer debt, the best use for your money is to pay that debt back as quickly as possible. This will enable you to accumulate money faster once the debt is paid off. Otherwise, it's like pouring water into a bucket with a hole in the bottom. It really is much easier to stay out of trouble in the first place than to get yourself out of financial trouble once you are in it.
- If your goal is to have a special holiday, you could save enough money to pay cash for it so you won't be wasting money paying unnecessary interest.
- The next step may be to buy a home, in which case the best use of the money you keep would be to save up for a deposit. A big deposit has big advantages: it could save you from having to pay mortgage insurance (which is expensive, usually \$15,000 or more, and of no benefit to you); it could enable you to get a smaller loan, which means you would pay much less interest over the life of the loan.

Mostly, however, you need to start accumulating a stash of money (a capital sum) which you invest and do not spend, so that it will grow faster and faster as time passes. The money you put away is the foundation of your wealth, and it's by investing it instead of spending it that you develop the income that will free you from money worries, and give you more than you could ever make from your job.

The easiest path to success is to make sure that the money you want to keep is put aside first, before you even see it. That's right: make it automatic and invisible. You could simply have money routinely deducted using an online investment platform like Raiz, which teaches you about investing, and can also automatically boost your money stash by investing your spare change. This approach not only makes sure that it's kept in a separate place where you won't be tempted to use it, but also puts it to work for you straight away.

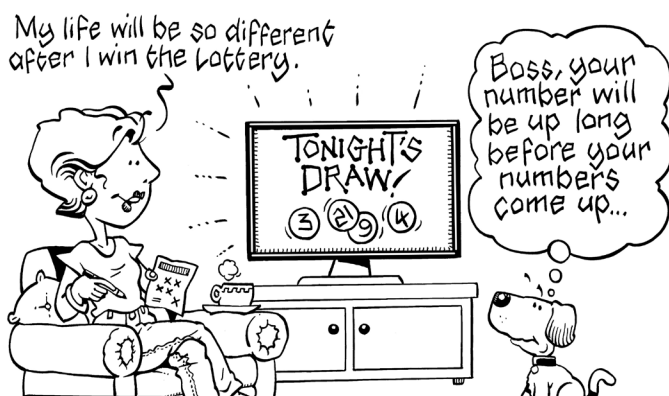
It's all so simple! There's just one problem: simple is not the same as easy.

There are a few things that make it hard:

- people have a natural preference for choosing short-term rewards over long-term ones
- it can be hard to stop being **most people**, and become a little different

1 *Keep part of what you earn*

- many people think because it's so simple it can't possibly make such a big difference, so they don't bother
- the whole financial system is set up to tempt you to part with your hard-earned money, and to spend more than you earn.



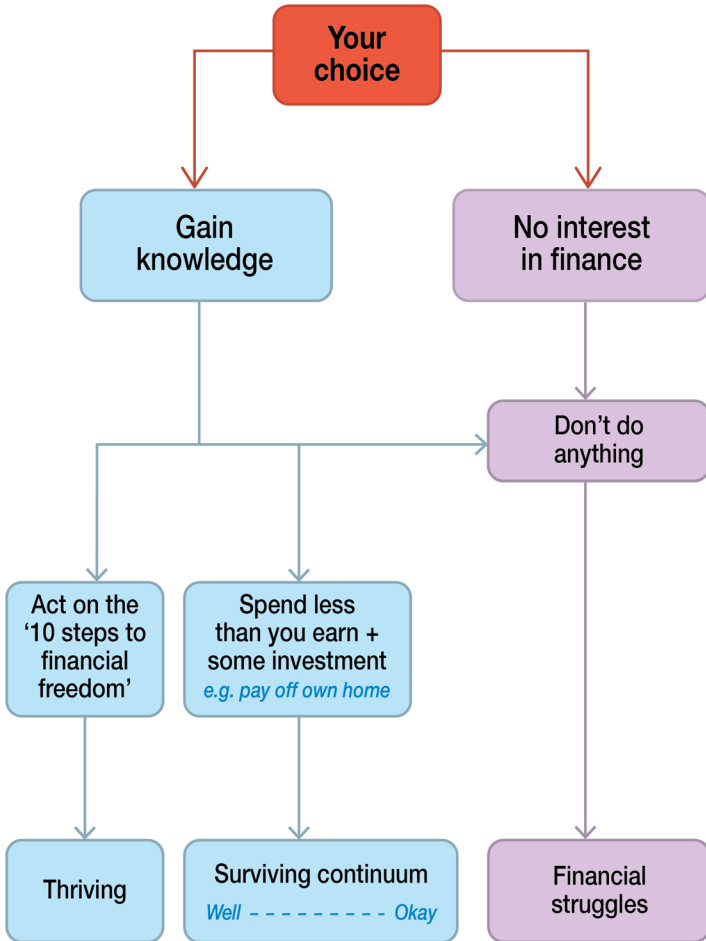
You'll need to get an attitude. Tell yourself: "I prefer my money in my pocket, rather than in somebody else's pocket." With this attitude, you make little changes that add up. A great example is petrol. The price of petrol fluctuates a lot and, if you have a car, I bet you have noticed that you often seem to have an empty tank just when prices go sky high. There is an easy solution: get yourself the 7-Eleven app. It costs nothing, and lets you lock in the cheapest price you can find today for the

next week. If petrol goes down further you still get the pump price, and just buying petrol will let you relock at an even cheaper price. Or do you have a membership with a motorists' organisation like NRMA or RACQ in case your car breaks down? Most of them offer a good discount on petrol at certain selective service stations. Full details are on their respective websites.

I'll end this chapter with some good news: it requires no particular natural talents to be successful with money. To be a successful sportsperson you need natural ability and to be prepared to train for many hours regularly, and watch what you eat. To be a successful medical professional you need to complete years of study, work long hours, and be prepared to put in hundreds of hours of ongoing study. But anybody can be a success at money management; it requires no special skill, and not even much time. You just have to stop procrastinating and take some action.

If you put this book down now and never read another page, but you spend less than you earn for the rest of your life and invest the surplus, you will automatically find yourself in the wealthiest top 20% of people in the country. But there's much more to come — in the next chapter you can learn a simple strategy to ensure that your money stash generates its own income.

Where do you want to be in the future? Now is the time to make a decision.



Key messages

- Keep part of any money you receive: these funds — mostly from your regular job — lay the foundation of your financial future.
- Don't be like **most people**: act differently; go against the herd mentality; take the road less travelled.
- Spend less than you earn: this enables you to have something left over from every pay.
- Put money aside automatically, before you even see it.
- Make the money you put aside work for you.
- Do not borrow to enable yourself to spend more than you earn: you are selling your future.
- It's much easier to **stay out** of financial strife than to **get out** of financial strife.

10 simple steps to financial freedom
NOEL WHITTAKER

STUDENT WORKSHEETS
CHAPTERS 1-10
WITH DETAILED ANSWERS AND
MARKING SCHEMES

For use with the Australian Curriculum: Humanities and Social Sciences –
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Subjects: Financial Literacy
Other Creator: Noel Whittaker

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Apply in writing to the publishers.

Worksheet Index

Click on the worksheet below.

Chapter 1 Questions	Chapter 1 Answers
Chapter 2 Questions	Chapter 2 Answers
Chapter 3 Questions	Chapter 3 Answers
Chapter 4 Questions	Chapter 4 Answers
Chapter 5 Questions	Chapter 5 Answers
Chapter 6 Questions	Chapter 6 Answers
Chapter 7 Questions	Chapter 7 Answers
Chapter 8 Questions	Chapter 8 Answers
Chapter 9 Questions	Chapter 9 Answers
Chapter 10 Questions	Chapter 10 Answers



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10 simple steps to financial freedom

NOEL WHITTAKER

**WORKSHEETS
CHAPTERS 1-10**

QUESTIONS

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WORKSHEET

CHAPTER 1

Keep part of what you earn

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STUDENT NAME _____

Before doing this Worksheet you must read Pages 1 – 14 of the book

- *10 simple steps to financial freedom* by Noel Whittaker ISBN 9780645004991
- Buy the printed book here: <https://www.noelwhittaker.com.au>
- Buy the eBook here: <https://noelwhittakerebooks.com.au/products/10-steps-to-financial-freedom>

SECTION A – Multiple-choice questions

Instructions for Section A

- A correct answer scores 1; an incorrect answer scores 0
- A scientific calculator is permitted for this Worksheet.
- Circle the correct answer for each question on the Worksheet itself.
- No marks will be given if more than one answer is selected.

Question 1

According to the Roman Philosopher *Cicero*, freedom is the power

- A. to borrow money.
- B. to live as one wishes.
- C. to live forever.
- D. to rule the world.

Question 2

According to research studies, financial problems can cause

- A. happiness.
- B. pride.
- C. embarrassment and stress.
- D. positive well-being.

Question 3

According to *Jim Rohn*, financial independence is the ability to

- A. earn more than 1 million dollars.
- B. live off a weekly salary.
- C. live off an annual salary.
- D. live from the income from your personal resources.

Question 4

The principles for a financially successful mindset are the same as for

- A. sport only.
- B. health only.
- C. sport and health.
- D. sport, health and business.

STUDENT NAME _____

Question 5

A *money stash* is best described as

- A. money growing from savings and investment.
- B. all of any money you receive.
- C. none of the wages you receive
- D. all of the gifts you receive.

Question 6

Most people don't reach financial independence because

- A. they never take the first step.
- B. they play too much sport.
- C. they study too hard.
- D. they don't earn enough.

Question 7

In order to separate yourself from *most people*, you must

- A. go with the herd.
- B. select the road less travelled.
- C. follow the leader.
- D. search the Internet.

Question 8

A 20 year old person earns an average of \$45,000 each year. When she retires at age 65, the total amount of money she has earned is (assuming no wage increase)

- A. \$2,925,000
- B. \$2,025,000
- C. \$2,000,000
- D. \$900,000

STUDENT NAME _____

Question 9

Your financial position is improved when

- A. you spend more than you earn.
- B. you spend the same amount as you earn.
- C. you spend less than you earn.
- D. you borrow to make ends meet.

Question 10

In the *Charles Dickens*' novel *David Copperfield*, *Mr Micawber* says "Annual income twenty pounds, annual expenditure nineteen pounds nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."

This means

- A. you must always earn more than twenty pounds.
- B. money always brings happiness.
- C. poverty always brings misery.
- D. you must aim to earn more than you spend.

END OF MULTIPLE-CHOICE QUESTIONS

STUDENT NAME _____

Before doing this Worksheet you must read Pages 1 – 14 of the book

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- Buy the printed book here: <https://www.noelwhittaker.com.au>
- Buy the eBook here: <https://noelwhittakerebooks.com.au/products/10-steps-to-financial-freedom>

SECTION B - Short-answer questions

Instructions for Section B

Questions must be answered in the spaces provided.

To obtain full marks for your responses you must write in sentences.

Question 1 (1 mark)

According to this book, how do you work for yourself first?

I work for myself first by

Question 2 (1 mark)

According to this book, what must happen when you spend more than you earn?

When I spend more than I earn,

Question 3 (1 mark)

According to this book, what is the best use of your money if you have consumer debt?

If I have consumer debt, the best use of my money is

STUDENT NAME _____

Question 4 (1 mark)

According to this book, what is another name for a *stash of money*?

A stash of money is also called a

Question 5 (1 mark)

According to this book, what is financial independence?

Financial independence is

Question 6 (2 marks)

What are the two advantages of having a large deposit to purchase a house?

(1) _____

(2) _____

Question 7 (2 marks)

Describe two ways you can make sure that the money you want to keep is put aside first.

(1) _____

(2) _____

Question 8 (2 marks)

Give two reasons why most people do not save money for their future.

(1) _____

(2) _____

STUDENT NAME _____

Question 9 (2 marks)

Explain the meaning of this cartoon from page 11.



Question 10 (2 marks)

What are the two steps you must take to achieve a thriving financial future?

(1) _____

(2) _____

**End of 10 simple steps to financial freedom
Chapter 1 Worksheet**

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10 simple steps to financial freedom

NOEL WHITTAKER

**WORKSHEETS
CHAPTERS 1-10**

ANSWERS

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10 simple steps to financial freedom
NOEL WHITTAKER

ANSWERS

CHAPTER 1

Keep part of what you earn

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10 simple steps to financial freedom – Chapter 1 Worksheet
Suggested Answers

Section A – Multiple-choice questions 1 mark for each correct answer = **10 marks**

Question	1	2	3	4	5	6	7	8	9	10
Correct answer	B	C	D	D	A	A	B	B	C	D

Multiple-choice question explanations

Question 1 Correct answer: B

On page 1 there is a quote from *Marcus Tullius Cicero* “What then is freedom? It is the power to live as one wishes”.

Question 2 Correct answer: C

On page 2, it is stated that financial problems can impact well-being negatively and cause embarrassment and stress.

Question 3 Correct answer: D

On page 5 there is a quote from *Jim Rohn* “Financial independence is the ability to live from the income of your own personal resources”.

Question 4 Correct answer: D

The principles for a financially successful mindset are the same as for sport, health and business with the added advantage that you don’t need any particular natural talent.

Question 5 Correct answer A

A *money stash* is best described as money growing from savings and investment.

Question 6 Correct answer: A

Most people don’t reach financial independence because they never take the first step.

Question 7 Correct answer: B

In order to separate yourself from *most people*, you must select the road less travelled. You must not follow the leader or go with the herd.

Question 8 Correct answer: B

A person aged 20 retiring at 65 has worked for 45 years.

Total earnings = 45 x \$45,000 = \$2,025,000 (assuming no wage increase)

Note: With a 3% annual wage increase

Total earnings = \$45,000 x (1 + 0.03) ^ 40 = \$2,474,936.36

Question 9 Correct answer: C

Your financial position is improved when you spend less than you earn. Borrowing to consume does not help.

Question 10 Correct answer: D

Mr Micawber is expressing the universal truth that your income should always exceed your expenditure. You must aim to earn more than you spend.

Section B: Short answer questions

Question 1 (1 mark)

According to this book, I work for myself first by putting aside some part of any money I receive.

Question 2 (1 mark)

According to this book, when I spend more than I earn, I must borrow to make up the shortfall.

Question 3 (1 mark)

According to this book, if I have consumer debt, the best use of my money is to pay off the debt as quickly as possible.

Question 4 (1 mark)

According to this book, a stash of money is also called a capital sum.

Question 5 (1 mark)

According to this book, financial independence is the ability to live from the income of your own personal resources.

Question 6 (2 marks)

The two advantages of having a large deposit to purchase a house are

- (1) you do not have to pay mortgage insurance.
- (2) you borrow less and therefore pay less interest.

Question 7 (2 marks)

Two ways you can make sure that the money you want to keep is put aside first are

- (1) set it up so that it is done automatically.
- (2) set it up so that it is invisible to you (that is, you do not notice it).

Question 8 (2 marks)

Reasons why most people do not save money for their future are
(any 2 for full marks)

- (1) people have a preference for short term rewards.
- (2) people find it difficult to follow a different path.
- (3) people think it is too simple to make any difference so don't bother.
- (4) people fall prey to the mass advertising in our society.

Question 9 (2 marks)



The cartoon is saying that your chances of winning the lottery are very tiny. (1 mark)

For example, the probability of choosing the correct 6 numbers from 45 numbers is 1 in more than 8 million. Even if you try each day for the 36,500 days in your lifetime (100 years), it is not likely to happen. (1 mark)

Question 10 (2 marks)

From the flow chart on page 13 of the book, the two steps you must take to achieve a thriving financial future are

- (1) to gain knowledge.
- (2) to act on the “10 steps to financial freedom”.

Total Marks = 25

10 simple steps to financial freedom – Chapter 1 Worksheet Suggested Answers

Notes for teachers

Before using these Worksheets, your students must read

- *10 simple steps to financial freedom* by Noel Whittaker ISBN 9780645004991
- Buy the printed book here: <https://www.noelwhittaker.com.au>
- Buy the eBook here: <https://noelwhittakerebooks.com.au/products/10-steps-to-financial-freedom>

The aim of these Worksheets is to get students to think about their financial future. You will find specific references for the topics covered in these Worksheets in the curriculum documents below.

Economics and Business Curricula

This Worksheet is suitable for your local Syllabus

Australian	http://bit.ly/3VRQZtF
New South Wales	https://bit.ly/3HwYYYL
Queensland	http://bit.ly/3hmwAxS
Victorian	https://bit.ly/3Pmgfpm

End of 10 simple steps to financial freedom Chapter 1 Worksheet Suggested Answers

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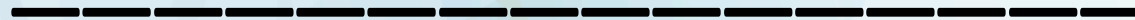
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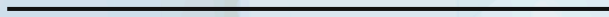
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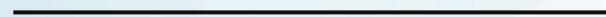
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- Chapter 4 Worksheet – *Know your enemies*
- Chapter 5 Worksheet – *Control your borrowing*
- Chapter 6 Worksheet – *Become a goal setter*
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