

MALI'S BORROW OR WAIT DILEMMA

Financial Literacy Worksheet 6: Interest & Borrowing (Age 13)

Story Time: Mali's Borrow or Wait Dilemma



Mali's favourite sneaker brand is having a once-in-a-year sale. The shoes she wants usually cost R1 200 but are now R900.

The problem? She only has R500 saved. She considers borrowing R400 from her cousin who charges 10% interest per month. "If I wait another month, the sale will be over," she tells Kash. He helps her calculate what it would cost to borrow vs. just waiting and saving.

They learn that borrowing can be helpful—but only when the cost and plan to repay are clear and manageable.

Comprehension Check

- How much do the sneakers cost on sale?

- How much does Mali want to borrow?

- What is the interest rate her cousin charges?

Word Bank: Match the Meaning

Match the borrowing terms to their meanings:

- | | |
|--------------|---|
| 1. Borrow | A. The amount you pay back over time |
| 2. Interest | B. Extra money charged for borrowing |
| 3. Loan | C. Money given to be paid back later |
| 4. Repayment | D. Taking money now, promising to return it later |

Interest & Borrowing Maths

Mali borrows R400 at 10% interest for 1 month.

- How much is the interest? R _____
- Total repayment = R400 + interest = R _____

If she waits and saves R250 more next month, she'll have R750.

- Will she be able to afford the shoes at full price (R1 200)?
Yes ☐ No ☐
- What's the smarter option in this case? _____

Let's Recap

- Borrowing means taking money now and paying it back later.
- Interest is the extra cost of borrowing.
- Always compare the total cost of borrowing vs. saving up.

Write It: My Borrowing Decision

Would you borrow money for something you want or save and wait? Why? _____

What's something that might be worth borrowing for? _____
