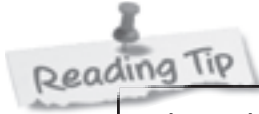




## GUIDED READING ACTIVITY 20-2

### Planning and Budgeting



The order in which steps occur in a process or an event is called a sequence. As you read about how to create a budget, draw a diagram that lists, or sequences, each step in the process in the correct order.

**Directions:** Answer the questions below in the space provided. Use the information in your textbook to answer the questions.

**1. Identifying Central Issues** If your income exceeds your expenses, are you left with a surplus or a deficit?

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**2. Identifying** What is the final step in creating a budget?

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**3. Defining** What is the annual percentage rate (APR)?

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**4. Explaining** What is the purpose of collateral?

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**5. Describing** How does a credit card work?

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**6. Labeling** What is the term for the inability to pay debts?

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**7. Explaining** What does it mean to be a responsible borrower?

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