European Union (EU) Switch Asia “Bamboo4SD”
Financial and Business Literacy Campaign

Commonwealth Educational Media Centre for Asia

In collaboration with

[Logos of MSME, SIDBI, CBS, and European Union]
Income & Expense
OBJECTIVE

To distinguish between Income & Expenditure
What is Income?
Money earned from various sources like salary, wages, earnings from farming or business etc. is our income.
What is Expenditure or Expenses?
Money spent by us on various items is our expenditure. It includes spending money on essential as well as non-essential items.
For Business:

- **Income** is what margin we earn by selling our goods
- **Expense** is how much cost we have incurred on making that product
How to maintain the account of income and expenses?
Just by developing a habit of writing down the daily expenses and income
How to increase income?
Reduce the expenses.

Reducing your daily expenses is also an income.
How to reduce Expenses?
Start writing down each and every expense daily and develop a habit to revisit it in every 15 days. Divide the expenses in 2 parts.

- Essential expenses
- Non-Essential expenses
Essential Expenses

- Housing
- Food
- Health Care
- Utilities
- Transportation
- Personal Expenses
- Debt

Non-Essential Expenses

- Entertainment
- Dining out
- Non-essential shopping
- Vacations
- Savings for a second home, college or other goals
We must start an economic or Financial diary for keeping such records. It is important to save it for tomorrow. It can be possible only if we start writing our expenses and identifying unnecessary expenses. We should keep an equal record of both income and expenses regularly.
Thank you!

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