

Lesson 1

A week before the lesson, give students R1, a spending diary. Ask them to keep a record of their spending for a week.

Starter

Students work in pairs or small groups to compare diaries and work out broad headings for their spending. Share headings with class to produce a list of agreed headings.

Which items are both good for you and useful?

Would you tax people on these items?

Why?

What would you tax people on?

Main activity

Ask students to add VAT Rate as a title for the next unused column in the spending diary and Total VAT Paid in the final column.

Students use R2, VAT Rates, to work out how much tax has been paid on spending in the preceding week. What percentage of their spending has been paid to the government in the form of taxation?

Work out how much VAT is paid in a year. Ask students to make estimates for peaks of spending such as Christmas.

Plenary

Brainstorm: Where else does the government raise the money it spends?

In 2005, the government raise £76 billion from VAT and spent £519 billion. Where else did the money come from?

The chart below gives you the picture.



There will be a range of answers and the detail is not important at this stage. The aim is to get them thinking and prepare for the next lesson.

Homework

If homework is scheduled, students might investigate government income and spending.