Lesson - Money

Year: Year 2

Hello, I am Otto! We use money every day to buy snacks, toys and bus tickets. In this chapter you learn the coins and notes of the United Kingdom. You count coins, make amounts in different ways, add money and work out change.

Starter activity

Set up a pretend shop at home with five items: a pencil for 20p, a rubber for 15p, a notebook for 50p, a ruler for 30p and a sharpener for 10p. Give your friend some coins and ask them to buy two things. Which coins do they give you? Do they need any change?

Pounds and pence

Definition: pounds and pence

In the United Kingdom we use **pounds** and **pence**. The symbol for pounds is **£**. The symbol for pence is **p**.

Key fact: 100p = £1

There are 100 pence in 1 pound. So £2 = 200p and £5 = 500p. We write £1.50 for 1 pound and 50 pence, and we say "one pound fifty".

Coins and notes

The coins are 1p, 2p, 5p, 10p, 20p, 50p, £1 and £2. The notes are £5, £10, £20 and £50.



Rule: the silver and copper coins

- 1p and 2p are copper-coloured coins.
- 5p, 10p, 20p and 50p are silver-coloured coins. The 20p and 50p coins have seven sides.
- £1 and £2 are the biggest coins.

Counting coins

Method: counting coins

1. Put the coins in order, with the biggest value first.
2. Count on, starting with the biggest coin.
3. Say the total with the correct unit, p or £.



50p, 70p, 80p, 85p. The total is 85p.

Worked example 1

What is the total of 50p, 20p, 20p and 5p?

Start with 50p. Add 20p: 70p. Add 20p: 90p. Add 5p: **95p**.

Making amounts in different ways

Definition: different ways to make an amount

The same amount of money can be made with different coins. 20p can be made with one 20p coin, or two 10p coins, or four 5p coins, or one 10p coin and two 5p coins.

Worked example 2

Show two different ways of making 30p using silver coins.

Way 1: 20p + 10p = 30p. Way 2: 10p + 10p + 10p = 30p. A third way is 20p + 5p + 5p.

Adding money

Method: adding prices

1. Write down the prices to add. Make sure they are all in pence, or all in pounds.
2. Add the tens first, then the ones, or add in your head by partitioning.
3. Write the total with the unit.

Worked example 3

A comic costs 45p and a sweet costs 28p. How much do they cost together?

45 + 28 = 73. They cost **73p** together.

Worked example 4

Three books cost £2, £3 and £4. How much altogether?

2 + 3 + 4 = 9. The books cost **£9** altogether.

Giving change

Definition: change

Change is the money you get back when you pay with more money than the price. To find change, take the price away from the amount you pay.

Method: finding change by counting on

1. Start at the price of the item.
2. Count on in small steps up to the next ten or pound.
3. Then count on to the amount you paid. Add up the steps.

Worked example 5

Sam buys a pencil for 35p. He pays with a 50p coin. How much change does he get?

Count on from 35p to 40p: 5p. Then 40p to 50p: 10p. 5 + 10 = 15. His change is **15p**. Check: 50 − 35 = 15.

Worked example 6

A pizza costs £7. Amy pays with a £10 note. What is her change?

10 − 7 = 3. Her change is **£3**.

Pounds and pence together

Rule: amounts with pounds and pence

Write £2.45 for 2 pounds and 45 pence. The numbers after the decimal point show the pence. £2.45 = 245p. When you add, add the pounds and the pence separately, and change 100p into £1.

Worked example 7

A toy costs £1 and 60p. A ball costs 80p. How much do they cost?

60p + 80p = 140p, which is £1 and 40p. £1 + £1 and 40p = **£2 and 40p**.

Watch out

Do not mix pounds and pence in one sum! 50p + £1 is not 51. Change the pound to 100p first: 50p + 100p = 150p = £1.50. Never write both £ and p in the same number,

like £1.50p.

Did you know?

The pound is one of the oldest coins in the world and is more than 1000 years old. A long time ago, there were 240 pennies in a pound. In 1971, the UK changed to 100 pence in a pound, so counting became much easier!

Otto's tip

Always estimate first. 49p + 51p is almost 50p + 50p, which is £1. Look for pairs that make 100p, such as 20p and 80p, 30p and 70p, or 45p and 55p. They make adding money much quicker.