**Budgeting Assignment – Financial and Workplace Mathematics – Total Value 70**

**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ November 26/18**

**DUE: AT THE BEGINNING OF CLASS ON TUESDAY, November 27, 2018**

1. **Multiple Choice – Value 10**
2. When deciding to make a budget one should take into consideration the following:
3. How much money ones actually takes home (net pay).
4. How much money one is spending (expenses).
5. How much money one can put away (invest) for future goals (savings).
6. All of the above.
7. Some possible sources of income include:
8. Monies working a part time job.
9. Monies working a full time job.
10. Monies working a weekend job.
11. All of the above.
12. When budgeting for a large expense one should:
13. Make a plan to save a certain amount of money in a savings account over a given time period (months or years) to pay for the item.
14. One should put the expensive item on their credit card and worry about it later.
15. Take out a loan and pay high interest to the bank or credit union.
16. A place at a financial institution to hold ones money is called:
17. A loan
18. An account
19. A mortgage
20. A fee that is paid for borrowing money is called:
21. An investment
22. Savings
23. Interest
24. If someone is making many transactions (withdrawing and depositing money) from their account, they should look for a bank that offers the following incentives:
25. Limited amount of transactions per month plus a service charge per transaction
26. Limited amount of transactions and pay a small fee to the bank per year.
27. An unlimited amount of transactions and pay
28. The following has changed or improved the way people today do their banking:
29. On line banking
30. Extended banking hours (open longer)
31. Low interest rates
32. All of the above.
33. What are service charges?
34. They are costs sometimes charge by financial institutions for providing services, such as banking by telephone, banking over the internet, and using banking machines.
35. They are anything that financial institutions offer to customers or potential customers that makes doing business with that institution seem more attractive.
36. None of the above.
37. Credit in relation to banking is an amount of money \_\_\_\_\_\_\_\_\_ to a bank account.
38. subtracted
39. added
40. Debit in relation to banking is an amount of money \_\_\_\_\_\_\_\_\_ to a bank account.
41. subtracted
42. added
43. **Word Problems**
44. Bank charges $5 per month for 10 transactions and additional transactions are $1.25 each

To determine the monthly account fee use the following formula:

$5 + $1.25 (per transactions over 10) = $5 + $1.25 (T - 10)

**Example: T = 11 transactions**

**ANS: $5 + $1.25 (11 – 10)**

**$5 + $1.25 (1) = $5 + $1.25 = $6.25**

Determine the monthly account fee ***(as shown exactly as above)*** use for the following transactions made in an account at the end of a month. **Value 16**

1. 25 transactions
2. 40 transactions
3. 32 transactions
4. 100 transactions
5. Susan works at the Recreaplex in Dalhousie and an amount of $350.50 is deposited in her account per week for working 40 hours.
   1. Susan transfers ***15% of her pay*** into another savings account. Calculate how much she would actually deposit into that account ($). Prove how you attained your answer. **Value 3**
   2. Susan transfer ***25% of her pay*** into another account for a trip she wants to take in five years. Calculate how much she would actually deposit into that account ($). Prove how you attained your answer. **Value 3**
   3. Finally, Susan transfer ***40% of her pay*** into another account to pay for her monthly bills. Calculate how much she would actually deposit into that account ($). Prove how you attained your answer. **Value 3**
   4. Susan is charged ***$1.50 per transaction*** (for a, b, and c above). Calculate much money does Susan have left off her check? **Value 3**
   5. Recommend what Susan should do with the remaining money that would ***benefit her in the future***. **Value 2**
6. Fixed expenses are expenses that are unlikely to change from month to month. Variable expenses are expenses that are likely to change from month to month. Identify each of the following as either a ***fixed*** expense or a ***variable*** expense in the spaces provided. **Value 10**
   1. Utilities (power bill) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   2. Car payment \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   3. Food \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   4. Personal items (shampoo, deodorant, etc.) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   5. Eating at McDonald’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   6. Mortgage (house) payment \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   7. School pictures \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   8. Car insurance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   9. Savings (for a trip) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
   10. Gifts and Donations \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expense
7. Answer the questions below based on the following budget shown. **Value 20**
   1. What is the net monthly income? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**
   2. What is the gross monthly income? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**
   3. What is the total of the monthly deductions before taken from the gross monthly income? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**
   4. Complete the percent of net income (exactly as shown below). **Value 14**
   5. What is the total expenses for the month? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**
   6. Indicate the balance this person has left at the end of the month. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**
   7. Which expense, shown in the chart below, should the person try to reduce or eliminate next month? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Value 1**

|  |  |  |
| --- | --- | --- |
| **INCOME** | **AMOUNT** |  |
| Gross Monthly Income | **$2200** |  |
| Monthly Deductions (EI, CPP, federal and NB taxes) | **$520.25** |  |
| **Net Monthly Income** | **$1679.75** |  |
| **EXPENSES** |  | **Percent of Net Income** |
| Rent | $500 | 500 ÷ 1679.75 x 100% = **29.7%** |
| Food | $250 | 250 ÷ 1679.75 x 100% = **14.9%** |
| Car (fuel, maintenance, insurance) | $225 | 225 ÷ 1679.75 x 100% = **13.4%** |
| Utilities | $40 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Entertainment & Recreation | $100 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Clothing | $150 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Personal | $75 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Medical and Dental | $50 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Cell phone bill | $60 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| Savings | $100 | \_\_\_\_\_\_\_÷ 1679.75 x 100% = \_\_\_\_\_\_\_\_ |
| **TOTAL EXPENSES** | **$** \_\_\_\_\_\_\_\_\_\_\_ | TOTAL OF PERCENTAGES = \_\_\_\_\_\_\_\_\_\_ |
| **BALANCE** | **$\_\_\_\_\_\_\_\_\_\_\_** |  |