Math 11 AW Math Final Project - Budgeting -

Name: __________

Block: ____

Teacher: Mr. Svendsen
Terms used in Chapter 7 and preparing a budget

Terms:

<table>
<thead>
<tr>
<th>Terms</th>
<th>Allocate</th>
<th>Balanced budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Conservative</td>
<td>Contract</td>
</tr>
<tr>
<td>Deficit</td>
<td>GIC</td>
<td>Gross</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Net</td>
<td>Prioritize</td>
</tr>
<tr>
<td>Recurring expenses</td>
<td>Regular income</td>
<td>Salary</td>
</tr>
<tr>
<td>Surplus</td>
<td>Tuition</td>
<td>Unexpected expenses</td>
</tr>
<tr>
<td>Variable expense</td>
<td>Variable income</td>
<td>Wage</td>
</tr>
</tbody>
</table>

Some definitions are in the glossary of the book (page 344). Others you may have to look up in a dictionary if you are not familiar with them.

1. __________________________ meaning assorted or not belonging to a category.

2. __________________________ an agreement between you and another party; in work this is a way of obtaining work to receive some income.

3. __________________________ predictable income received at regular intervals.

4. __________________________ monies earned on a per hour basis.

5. __________________________ a budget which overestimates income and underestimates expenses.

6. __________________________ expenses which occur on a regular basis.

7. __________________________ the total amount of monies earned before any deductions such as taxes, CPP, and so on occur.

8. __________________________ monies paid to an educational institution in order to take courses there.

9. __________________________ expenses which can change from period to period.

10. __________________________ the amount by which income exceeds expenses.

11. __________________________ the amount of money that is left after deductions have been taken from your base pay.

12. __________________________ monies which you get paid on a monthly / yearly basis for doing a job, it is not determined by how many hours you work.

13. __________________________ a balanced statement of projected income and outgo.

14. __________________________ deal out or assign monies for a particular purpose.

15. __________________________ guaranteed investment certificate

16. __________________________ unpredictable expenses which occur from time to time.

17. __________________________ the amount by which expenses exceed income.

18. __________________________ a budget in which the income exactly equals the expenses.

19. __________________________ to arrange in order of importance

20. __________________________ income that changes from time to time; is not regular.
Compare and Contrast of Terms for Budgeting Worksheet

Examine the pairs of terms below. Each pair has something in common, but they also have something which makes them very different from each other. Identify what is common, and what is different. Refer to the term sheet you just did and to the text.

1. Regular income vs Variable income
   common: ____________________________________________
   different: ________________________________________

2. Surplus vs Deficit
   common: __________________________________________
   different: ________________________________________

3. Variable expense vs Unexpected expense
   common: __________________________________________
   different: ________________________________________

4. Net income vs Gross income
   common: __________________________________________
   different: ________________________________________

5. Wage vs Salary
   common: __________________________________________
   different: ________________________________________

6. Conservative budget vs Balanced budget
   common: __________________________________________
   different: ________________________________________

7. Regular expense vs Variable expense
   common: __________________________________________
   different: ________________________________________

8. Miscellaneous vs Allocate
   common: __________________________________________
   different: ________________________________________

9. Taxes vs Deductions
   common: __________________________________________
   different: ________________________________________

NOTE: For common give more than, “has to do with budget” or “has to do with expense”
1. a) Examine the table on page 308. Look at the column labeled expenses. State if each expense is a recurring (regular) expense or a variable expense.

<table>
<thead>
<tr>
<th>rent:</th>
<th>food:</th>
<th>entertainment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>loan payment:</td>
<td>bicycle:</td>
<td>clothing:</td>
</tr>
<tr>
<td>insurance:</td>
<td>gas:</td>
<td>cell phone:</td>
</tr>
<tr>
<td>car loan:</td>
<td>charitable donations:</td>
<td></td>
</tr>
</tbody>
</table>

b) What is the total income for Jackson: _______ Total expenses: _______

c) Is his budget balanced? _______ Explain why. __________________________

2. Examine the table on page 310. Duplicate the table in the space below. In the column labeled My Choice, choose a percentage within the boundaries of what is suggested. Make sure they all add up to 100%. If you had a budget of $2500 a month, calculate the values based on what you wrote down under My Choice and record them under the column Budget.

<table>
<thead>
<tr>
<th>Spending guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Medical / Health</td>
</tr>
<tr>
<td>Personal</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Charitable Donations</td>
</tr>
<tr>
<td>Savings</td>
</tr>
</tbody>
</table>

| Total: | 100% | $2500 |

In the space to the right produce a circle graph showing the percents you choose under the column “my choice.”
3. Turn to page 315. DO NOT CHECK ANSWERS FROM BOOK! Determine:
   a) How much money in food David spent over a 6 month period. 
   b) How much money in rent David spent over a 6 month period. 
   c) How much money on his car David spent over a 6 month period. 
   d) How much money on entertainment David spent over a 6 month period. 
   e) How much money in miscellaneous David spent over a 6 month period. 
   f) His total spending over the 6 month period. 
   g) What is his average spending per month (outgo)? 
   h) Determine the percents of each of the 5 categories (÷ 6 x 100)
      food = rent = car = entertainment = other = 
   i) His total income over the 6 month period. 
   j) What is his average income over the 6 month period? 
   k) Is his budget balanced? 
   l) Give 2 suggestions to help David with his budget.
      i) 
      ii) 

4. Explore the difference between a salary, a wage, and a commission. 
   a) Determine the annual income for each person below. 
      i) Jill gets a salary of $800 per week. Assume 52 weeks per year. 
      ii) Marty earns $19.50 per hour. Assume a 40 hour work week. 
      iii) Francis sells furniture and earns 12.5% commission. Assume yearly sales of $350,000. 
   b) Determine the monthly income for each of the above. Divide annual income by 12.
      Jill: Marty: Francis: 
   c) For the people to get an annual income of 60,000 a year, determine what their:
      i) Weekly salary is for Jill: 
      ii) Hourly wage is for Marty 
      iii) How much money in sales Francis must sell. 
   d) In a sentence, what is the difference between salary, wage, and commission?
Math 11 aw Budget Project

You will work independently to produce a budget using a spreadsheet which will represent a month's independent living.

Part 1: Income
1) Your income is based on a minimum wage job working 40 hours a week. Base your income on the current month; show weekly calculations for week 1, week 2, and so on. Calculate the total sum. Label it Gross pay.
2) You work on regular working days, you have to work on holidays but you get double time.
3) Your Deductions are: Income taxes are 10%; Benefits 5%, CPP 2%. Label each one. Calculate the total sum. Label it Deductions.
4) Determine Net pay and label it.
5) If you need more money you can get another part time job. Decide how many hours to work, up to a MAXIMUM of 10 hours per week. Determine gross, deductions, and net. Grand total income:

Part 2: Outgo
1) Monthly expenses (recurring) include:
   - cable (choice 1: min package @ 30.00  choice 2: deluxe package @ $60.00)
   - rent (choice 1: basement suite by self @ $750 -- no parties --  choice 2: rent apartment with friend @ $600 -- parties allowed and apartment has risk of unexpected costs
   - phone (choice 1: cell phone with unlimited txt @ $50.00  choice 2: land line @ $25.00
   - utilities (for basement suit they are included, for apartment they are half of $150/mo.)
   Add up sum of recurring fees

2) Variable expenses include:
   - entertainment (choice 1: 3 movie nights / mo. @ 90$  choice 2: parties @ $170)
   - transportation (choice 1: bus pass @ $85.00  choice 2: car:
     - insurance = $2400 / 12 =
     - gas = $40 / week x 4.3 =
     - maintenance = $20.00 / mo
     - repairs = unexpected costs
   - groceries (choice 1: little cooking (mostly microwave) = $425 / month)
     (choice 2: lots of cooking (oven and stove) = $340 / month)
   - gifts (small family = $15.00 / mo.  large family = $30.00 / mo)
   - personal care (boy = $20.00 / mo.  girl = $80.00 / mo.)
   - savings (choice 1: going to school next year $150/ mo.  choice 2: camping $30/ mo.)
   - girlfriend / boyfriend (choice 1: none (no expense)  choice 2: one @ $45.00/mo.)
   - eating out (choice 1: 2/mo at $45.00  choice 2: 5/mo at $220.00)
   - medical (choice 1: you're healthy @ $20.00/mo.  choice 2: sick a lot @ $50.00/mo.)
   - miscellaneous (choice 1: $20/mo.  choice 2: $50.00/mo.)
   Add up sum of variable fees

   Grand total outgo:

Part 3: Unexpected expenses
- If you rent: your dryer pack it in, buy used one @ $210 - pay off over 6 months (=225/6)
- If you own a car: need brakes done. Choice 1: do it yourself @ $140.00 (split up over 6 months)  Choice 2: Get a professional to fix it @ $600 (split up over 6 mo.)
- You get a fine for $240 that you have to pay. split up over 6 mo.

Subtract outgo from income:

Part 4: Balanced budget ??? Surplus / deficit -- multiply by 12 for a year.