

Personal Finances | Assignment

Name:

Date:

This assignment is...	
Is Good to go	Needs Corrections

Make sure to show all of your work! You will be asked to make corrections if steps are not shown.

1. Classify the following types of income as regular or variable and expenses as recurring, variable, or unexpected. Explain your reasoning.

Item	Classification	Reason
Bi-weekly Paycheque		
Rent		
Birthday Gift		
Groceries		
Car Payment		
Car Insurance		
Interest form Investment		
Tax Refund		
Eating Out		

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2. Susannah has the following monthly income and expenses. Any extra income she has she puts into a savings account. After 4 months, Susannah wants to purchase some new furniture that will cost \$899.90. Will she have enough saved to pay for it up front?

Income		Expenses	
Weekly Pay	\$225.00	Rent	\$350.00
Weekly Pay	\$225.00	Entertainment	\$50.00
Weekly Pay	\$225.00	Groceries	\$125.00
Weekly Pay	\$225.00	Tithe	\$90.00
		Utilities	\$75.00
		Transportation	\$100.00

3. Richard has made a list of his income and expenses over the last month. He has regular income from his part time job and also earns some income tutoring students.

PayCheque	\$335.00
PayCheque	\$352.00
Gas	\$60.00
Car Insurance	\$87.00
Entertainment	\$50.00
Cell Phone	\$50.00
Tutoring	\$60.00
Groceries	\$100.00
Rent	\$500.00
Tutoring	\$120.00
Tutoring	\$120.00
Eating Out	\$45.00

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a) Sort the items listed into income and expenses.

Income		Expenses	

b) What is his total income and total expenses for the month?

c) How much can Richard save in six months?

d) What percentage of his incomes do his savings represent?

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4. Scott earns \$2850.00 a month. He made the following list of his expenses over the course of the **past year**.

Rent	\$7,800.00
Car Insurance	\$1,080.00
Groceries	\$3,000.00
Gifts	\$800.00
Entertainment	\$600.00
Cell Phone	\$900.00
Loan Payment	\$1680.00
Clothing	\$1080.00
Miscellaneous	\$1200.00
Gas	\$1440.00
Car/House Maintenance	\$1600.00
Charity	\$720.00

- a) Create a monthly budget for Scott.

b) How much money does he save per year?

c) What percentage of his income goes to miscellaneous? What about to entertainment?

5. Amy works full time with College-Pro Painters but would like to go back to school in September. She figures that she needs \$5500.00 in order to cover some expenses while she is studying because she won't be able to work full time.

a) If she makes \$2800.00 a month and plans to save 20% of her income for this cost, how long will she have to work in order to save enough?

- b) If the start date is 6 months from now, how much will she have to save in order to have enough?

6. Diana puts \$2750.00 a year into a savings account. This represents 8% of her income.
a) What is her annual income?

- a) She would like to decrease her savings to 5% of her income. How much will she save in one year if she makes this change?

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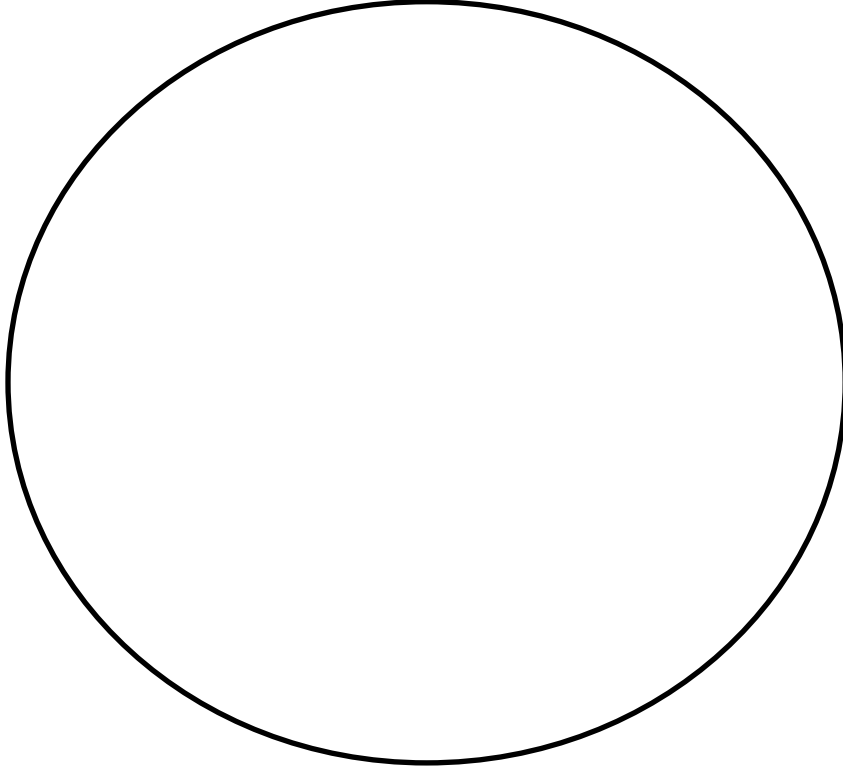
7. Michelle's monthly budget is shown below as well as the suggested spending guidelines.

Income		Expenses	
Bi Weekly Paycheque	\$1100.00	Rent	\$800.00
Bi Weekly Paycheque	\$1100.00	Utilities	\$175.00
		Cell Phone	\$90.00
		Groceries	\$250.00
		Transportation	\$300.00
		Entertainment	\$100.00
		Miscellaneous	\$100.00
		Savings	\$385.00

Spending Guidelines	
Housing	30 – 40%
Food	9 – 14%
Utilities	5 – 10 %
Transportation	8 – 12 %
Personal	5 – 10 %
Entertainment	5 – 10 %
Savings	At least 12%

a) Is her budget balanced?

b) Create a circle graph of Michelle's monthly spending.



c) Calculate which of Michelle's spending categories needs adjusting according to the suggested spending guidelines. By how much do they need adjusting?