

Name: _____

DISCRETE

Date: _____

TROICI

LESSON #7: BUDGETING REVIEW

YES, THIS MEANS YOU HAVE A TEST TOMORROW!

Jim and Claire Mener have a combined monthly net income of \$4,700. Use their budget sheet to answer the following questions.

A MONEY MANAGER FOR: The Mener

Month: October

Monthly Living Expenses		Monthly Fixed Expenses	
<u>Food/Grocery Bill:</u>	\$365.98	Mortgage Payment	\$2,637.93
<u>Household Expenses:</u>		Car Payment	\$279.99
Electricity	\$54.26	Regular Savings	\$50.00
Heating Fuel	\$60.00	Emergency Fund	\$35.00
Telephone	\$42.60	TOTAL MONTHLY FIXED EXPENSES:	
Water	\$30.21		
<i>Total Household Expenses:</i>			
<u>Transportation:</u>			
Gasoline/Oil	\$155.68		
Parking	\$45.00		
Tolls	\$12.00		
Commuting	\$0.00		
<i>Total Transportation Expenses:</i>			
<u>Personal Spending:</u>			
Clothing	\$125.64		
Credit Payments	\$0.00		
Newspapers, Gifts	\$25.25		
Pocket Money	\$50.00		
<i>Total Personal Spending:</i>			
Entertainment			
Movies/Theatre	\$28.00		
Dining Out	\$72.00		
<i>Total Entertainment:</i>			
TOTAL MONTHLY LIVING EXPENSES:			
		Annual Expenses	
		Life Insurance	\$1,265.00
		Home Insurance	\$3,200.00
		Car Insurance	\$1,700.00
		Real Estate Taxes	\$2,500.00
		Car Registration	\$85.00
		Contributions	\$500.00
		TOTAL ANNUAL EXPENSES:	
		Monthly Share	
		(÷12)	

Monthly Balance Sheet			
		*	
Living Expenses:	_____	*	Net Income: _____
		*	
Fixed Expenses:	_____	*	Total Monthly Expenses: _____
		*	
Annual Expenses (per month):	_____	*	Balance: _____
		*	
		*	
Total Monthly Expenses:	_____	*	
		*	
		*	

<p>1. What is the total of their monthly living expenses?</p>	<p>2. What is the total of their monthly fixed expenses?</p>
<p>3. What is the total of their annual expenses?</p>	<p>4. What is the monthly share of their annual expenses?</p>
<p>5. What is the total of their monthly expenses?</p>	<p>6. Are the Mener living within their monthly net income?</p>
<p>7. The Mener receive pay raises that increase their net income by 5 percent. What is their new combined monthly net income?</p>	<p>8. Can the Mener meet their total monthly expenses with their new monthly income?</p>
<p>9. If you have the same budget and the same net income as the Mener had before they received their pay increases, on what items would you try to reduce your spending in order to live within your monthly net income?</p>	

10) Find the total monthly budgeted amount, total monthly expenditures and the difference between amounts budgeted and spent each month. Then answer the questions that follow.

MONTHLY BUDGET SHEET FOR MARGARET AND GREG ALLISTER					
Budget Category	Amount Budgeted	April Actual Spent	Difference	May Actual Spent	Difference
Groceries	\$200	\$195		\$197	
Utilities	\$220	\$235		\$225	
House Payment	\$715	\$715		\$715	
House Insurance	\$30	\$30		\$30	
Transportation	\$215	\$205		\$212	
Clothing	\$40	\$25.50		\$45	
Credit Card Payment	\$100	\$100		\$100	
Entertainment	\$40	\$56.70		\$43.25	
Dining Out	\$50	\$42.85		\$61.95	
Savings	\$200	\$200		\$180	
Miscellaneous	\$100	\$89.80		\$107.90	
TOTAL					

11. What is the Allister's total amount budgeted? _____

12. What are the total expenditures for April? _____

13. What are the total expenditures for May? _____

14. Were they over or under for April? By how much? _____

15. Were they over or under for May? By how much? _____

16) A man and his wife deposited their paychecks at an ATM. Their checks were for \$1,367.85 and \$1,366.85. They also had a check from the insurance company for \$742.35. They withdrew \$400.00 in cash. What is their total deposit?

17) Donovan deposits the following in his checking account: 2 fifty-dollar, 5 twenty-dollar bills, 9 ten-dollar bills, 5 five-dollar bills, 39 one-dollar bills, 52 quarters, 31 dimes, 25 nickels, 79 pennies and a check for \$25.87. What is his total deposit?

18) Directions: Write out all necessary checks.
 Log all transactions on your transaction register
 Your starting balance on 10/1 is \$2,340.00

10/3: You paid your rent to Master Leasing Corp. for \$1,860.

10/5: You received \$290.00 for birthday and deposited it in your account.

10/7: You paid your electric bill to LIPA for \$135.63.

10/10: You earned \$2.90 in interest

10/13: You were really generous and gave Ms. Weiler \$100.00 for her birthday.

Check Number	Date	Transaction Description	Payment, Fee, Withdrawal	Deposit, Credit	Balance

What is your ending balance?

19. The Apple Company's bank statement balance on January 31 was \$3,752.91. On the same date, their checkbook balance was \$2,954.61. The bank statement showed a service charge of \$4.00 and interest earned of \$5.28. The checkbook showed three outstanding checks: No. 1208 for \$125.52, No. 1211 for \$572.21, and No. 1212 for \$99.29. Complete a reconciliation statement for Apple Company.

BANK STATEMET	LEDGER
ENDING BALANCE	ENDING BALANCE

20. Tracey Smith's checkbook balance on November 30 was \$1,614.83. On the same date, the bank statement showed a balance of \$2752.25. Included on the statement was a service charge of \$5.82 and interest earned of \$3.97. Checks outstanding were: No. 106 for \$1,023.04, No. 109 for \$15.22, for No. 110 for \$101.01. Prepare a reconciliation statement.

BANK STATEMET	LEDGER
ENDING BALANCE	ENDING BALANCE