

4. Jeanette has a Value Account and makes the following transactions in one month.

a) Fill in the table and calculate her balance at the end of the month.

<i>Transaction</i>	<i>Description</i>	<i>Withdrawal</i>	<i>Deposit</i>	<i>Balance</i>
				\$4986.54
ATM	Cash	\$250.00		
Bank card	Dinner	\$25.32		
Bank card	Groceries	\$145.93		
Direct deposit	Paycheque		\$524.66	
Bank card	Movie	\$12.98		
ATM	Cash	\$100.00		
Bank card	Gas	\$48.96		
Teller	Utilities	\$123.23		
Auto-withdrawal	Rent	\$550.00		
Direct deposit	Paycheque		\$524.65	
Bank card	Groceries	\$165.24		
ATM	Cash	\$100.00		
Teller	Phone	\$47.25		
Bank card	Misc.	\$12.32		
Bank card	Dinner	\$15.88		
ATM	Cash	\$200.00		
Bank card	Prescription	\$32.54		

b) Do you think this is the best type of account for her? Why or why not?

5. Determine the balance in her Value Account if Mariya made the following transactions during the month:

- opening balance of \$432.98;
- 3 ATM withdrawals of \$200.00 each;
- full-service payment of phone bill of \$68.21;
- bank card payments of \$103.56 for groceries, \$12.87 for a movie, \$15.89 and \$22.48 for meals;
- direct deposit of paycheque \$658.42; and
- online payment of her credit card bill of \$243.56.



Do you shop for your own groceries? How much will you spend when you do?

CHAPTER TEST

1. Classify the following transactions as income or expenses. Identify the income as regular or variable, and the expenses as recurring, variable, or unexpected.

<i>Item</i>	<i>Income</i>	<i>Expense</i>
Biweekly paycheque: \$735.00		
Monthly bus pass: \$75.00		
Gas: \$42.95		
Cell phone bill: \$39.96		
New jacket: \$69.95		
Tips: \$52.00		
Debt repayment: \$75.00		
Emergency vet bill for cat: \$250.00		
Movie ticket and snack: \$20.00		
Dinner at restaurant: \$27.00		
Charitable donation: \$25.00		
Commission: \$100.00		



What type of expense is buying groceries?

2. Tamara has tracked her spending for four months. Her semi-monthly income is \$975.00.

TAMARA'S MONTHLY BUDGET				
<i>Item</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>
Rent	\$575.00	\$575.00	\$575.00	\$575.00
Utilities, phone, cable, internet	\$155.00	\$160.00	\$145.00	\$140.00
Groceries	\$250.00	\$275.00	\$240.00	\$300.00
Debt repayment	\$100.00	\$100.00	\$100.00	\$100.00
Gas	\$109.00	\$125.00	\$95.00	\$115.00
Parking pass	\$100.00	\$100.00	\$100.00	\$100.00
Entertainment	\$50.00	\$265.00	\$300.00	\$200.00
Car insurance	\$110.00	\$110.00	\$110.00	\$110.00
Clothing	\$50.00	\$100.00	\$50.00	\$75.00
Miscellaneous	\$300.00	\$100.00	\$150.00	\$130.00

- a) Create a conservative budget for Tamara. Group the expenses into categories. If she has a surplus, allocate the extra money to savings.
- b) If she follows this budget, how much money will she save in one year?
- c) What percentage of her income do her savings represent?

3. Masaru works as a salesperson and earns an hourly wage plus commission. He works 35 hours per week, at a rate of \$11.75 per hour. His commission is about \$125.00 per week. His expenses account for about 85% of his income.

a) How much money does Masaru put into savings in one year?

b) Masaru spends about \$7200.00 a year on rent. What percentage of his income does this represent?

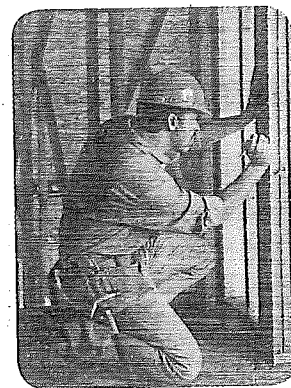
4. Madeleine has begun creating a budget for herself.
- a) Complete her budget by calculating her total income and expenses and allocating any surplus to savings.

MADELEINE'S MONTHLY INCOME AND EXPENSES			
<i>Income</i>		<i>Expenses</i>	
Semi-monthly	\$885.00	Rent	\$595.00
Semi-monthly	\$885.00	Utilities, phone, cable, and internet	\$275.00
Tips	\$250.00	Food	\$295.00
		Transportation	\$100.00
		Entertainment	\$225.00
		Other	\$350.00
		Savings	
<i>Total income</i>		<i>Total expenses</i>	

- b) What percentage of her income is Madeleine putting into each of the expense categories?
- c) If Madeleine's income increases by 5%, but she continues to put the same percentage of her income into savings, how much will she save per month?

5. Noah is a construction worker and he earns about \$1200.00 semi-monthly. His average monthly expenses are as follows.

<i>Expenses</i>	
Rent	\$795.00
Utilities	\$150.00
Food	\$500.00
Transportation	\$375.00
Entertainment	\$150.00
Clothing	\$100.00
Savings	\$30.00
Other	\$300.00



Like many jobs, construction workers need to use some form of math every day.

- a) Compare Noah's expenses to the following spending guidelines. What changes would he need to make to fall within the guidelines?

<i>Spending Guidelines</i>	
Housing	25–35%
Utilities	5–10%
Food	5–15%
Transportation	5–15%
Entertainment	5–10%
Clothing	2–5%
Savings	5–15%
Other	5–10%

- b) What is the minimum amount that Noah should put into savings per month?