Student Activity 1

Work with your partner to answer the following.

Problem 1: Describe the purpose of a personal budget.

Problem 2: There are two types of expenses: _____ and _____ expenses.

Loan payments, insurance premiums and planned savings are examples of _____ expenses.

Groceries, entertainment, utilities and clothing are examples of _____ expenses.

Problem 3: Why are some expenses called variable expenses?

Problem 4: Mr. Barnes's monthly budget is shown below. Circle the variable expenses and underline the fixed expenses. Complete the Available Amount Column.

Mr. Barnes's Monthly Budget

Item	Income (+)	Expense (-)	Amount Available
Wages	$2,350		$2,350
Entertainment		$75	
Apartment Rent		$475	
Utilities		$230	
Car Payment and Insurance		$325	
Household Expenses (food and supplies)		$250	
Savings		$135	
Cell Phone		$50	
Medical/Dental Expenses		$75	

How much money, if any, does Mr. Barnes have available at the end of the month?

What should he do with the extra money, or where can he cut expenses so that he does not overspend?

Problem 5: Suppose as a seventh grader you are given a $20 allowance a week. You must use it for your school lunch each day but other than that you can choose what to spend the money on.

Plan a budget for your $20. Make a table similar to the one above to show how you will spend your $20.

Student Activity 2

Work with your partner to answer the following.

Problem 1: The Thompson family has a net monthly income of $5,600. The table below shows the categories of expenses and the amount budgeted for each category.

The Thompson Family Budget

Expense Item	Amount	Percent
Mortgage and Insurance	$1,800	
Entertainment	$200	3.6%
Clothes	$300	
Utilities	$600	
Car Payment and Insurance	$800	
Household Expenses (food and supplies)	$825	14.7%
Savings	$300	
Cell Phone	$125	2.2%
Medical/Dental Expenses	$300	
Miscellaneous	$350	6.3%
Total		

Determine the percent (to the nearest tenth of a percent) budgeted for each expense that is missing in the table. Show your work.

Do the percents total to 100%? If not, can you explain why?

Problem 2: The Smith family has a net monthly income of $4,200. They budget $1,680 for their home mortgage, insurance, and taxes. What percent of their monthly income do they budget for this category? Show your work.

Problem 3: The Garza family has planned a monthly budget. The table below shows the expense categories and the percent of their monthly income they have budgeted for each item.

The Garza Family Budget

Expense Item	Percent
Mortgage and Insurance	32%
Entertainment	4%
Clothes	5%
Utilities	12%
Car Payment and Insurance	18%
Household Expenses (food and supplies)	15%
Savings	8%
Cell Phone/Internet Service	6%

The circle graph below represents the Garza family budget. Label each sector with the appropriate category based on the information in the table.

Garza Family Budget
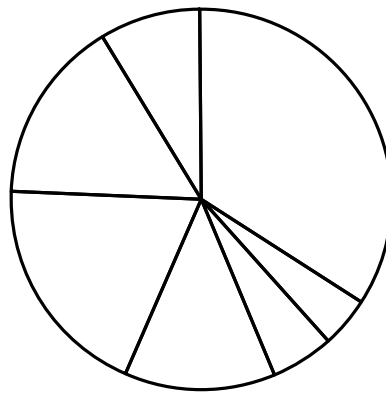
- If the Garza family's net monthly income is $5,800, what amount did they budget for mortgage and insurance expenses? Show your work.

- Are mortgage and insurance expenses a fixed expense or a variable expense? Explain.

- How much would they spend on this category in a year?

- If the Garza family's net monthly income is $5,800, what amount did they budget for household expenses?

- Are household expenses a fixed expense or a variable expense? Explain.

- Suppose there is an unexpected expense of $300 for a hot water heater. Which category or categories could they use to find the money to pay for the expense?

NAME_____   DATE_____   SCORE ____/5

7.13B Skills and Concepts Homework 1

1. Circle the items below that are income.

    Wages   Gift cards you receive   Annuities   Cash rebates

    Bonuses   Credit Cards   Purchases   Rental Income   Mortgages

2. Circle the fixed expenses.

    Insurance premium   Rental fee   Groceries   Gasoline

    Circle the variable expenses.

    Doctor visits   Utility bills   Monthly Child Care   Mortgage

3. A family has a net monthly income of $7,000 and they allocate $210 each month to a retirement fund. What percent of their income is allocated for retirement? Show your work.

4. A family lists their budget items as shown in the table.

Description	Amount
Housing	$1850
Medical Insurance	$250
Food	$700
Transportation	$450
Entertainment	$150
Savings	$350
Clothes	$400
Miscellaneous Expense	$200
Utilities	$600
Credit Card Payment	$500

    The family net monthly income is $5,000. Does the budget fit their income?

    What percent did they allocate for clothes?

    What percent did they allocate for food?

5. If the family with the budget in Question 4 had an emergency that required $500, where would be the best place in the budget to find the needed money? Is that a variable expense?

NAME_____   DATE_____   SCORE ___/5

7.13B Skills and Concepts Homework 2

1. Name two sources of income for a family.

2. Name two variable expenses for a family.

    Name two fixed expenses for a family.

3. If a family has a net monthly income of $6,000 and they spend $1,500 on a house payment that includes the taxes and insurance, what percent of their income have they allowed for housing? Show your work.

4. A family lists their budget items as shown in the table.

Description	Percent
Housing	32%
Medical Insurance	10%
Food	13%
Transportation	15%
Entertainment	3%
Savings	10%
Clothes	5%
Miscellaneous Expense	7%
Utilities	5%

The family net monthly income is $4,800.

How much have they allocated to housing?

How much have they allocated for food?

5. Which expenses in the table above are fixed expenses?